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IMF meeting: a $500bn game of poker, Page 12

NEWS SUMMARY

GENERAL

Beirut faction fighting worsens

Fighting between Druze and Christian militias in the hills east of Beirut intensified yesterday as a planned Israeli-arranged ceasefire collapsed. In the past week, about 60 people have been killed.

A Druze officer said the Christian Phalangists had been driven out of the strategic town of Alev. Page 2

In Beirut, a Palestine Liberation Organisation official said that Palestinians and Lebanese might have to adopt their own security measures, following the Saturday bombing at a PLO office in which 20 people died.

China accuses

Within hours of the departure from Peking of U.S. Secretary of State George Shultz, China accused the U.S. of not abiding by the terms of the accord on limiting arms sales to Taiwan. Shultz optimistic, Page 2

In Seoul, Mr Shultz promised continued U.S. military support for South Korea.

Haughey's future

Fianna Fail MPs today debate a motion calling for the resignation as leader of former Premier Charles Haughey, who says he will abide by the decision.

Eta apologises

Eta, the Basque separatist movement, claimed responsibility for an attack on a Bilbao bank, and apologised for the death of two workers and the wounding of seven.

Gandhi boost

Indian premier Indira Gandhi's Congress (I) Party was heading for a decisive victory in Delhi metropolitan council and municipal corporation elections last night. Page 2

Police opened fire on rioting anti-election demonstrators in five towns in the north-eastern state of Assam.

Dacca violence

More than 150 were injured in street fighting in Dacca, Bangladesh, between rival student factions using iron rods, bamboo sticks, and bricks.

Envoys replaced

The Soviet Union said it was replacing its permanent representatives at the United Nations and at some Geneva-based international organisations.

Refugees rescued

More than 20,000 refugees stranded on the Thai-Kampuchean border were evacuated to safety in Thailand as fighting between Vietnamese-led troops and Kampuchean guerrillas subsided.

Missionaries at risk

Five Indians who admitted trying to convert moslems to Christianity in the United Arab Emirates face up to two years in jail, said local officials.

Zimbabwe drive

Zimbabwe's Government said that five dissidents have been killed in a campaign against terrorists in Matabeleland, and 14 captured. Page 2

Seeds of success

Cloud-seeding by Soviet authorities has prevented 20 cm (eight inches) of snow falling on Moscow this winter and saved millions of roubles in clearance costs, reported newspaper Komsomolskaya Pravda. The seeds, granules of carbonic acid, were dropped by aircraft.

Briefly...

Pope John Paul is to visit El Salvador in a Central American tour in early March.

Mrs Elsie Hillier is to retire as village postmistress of Combe Bay, near Bath, England, at 102.

BUSINESS

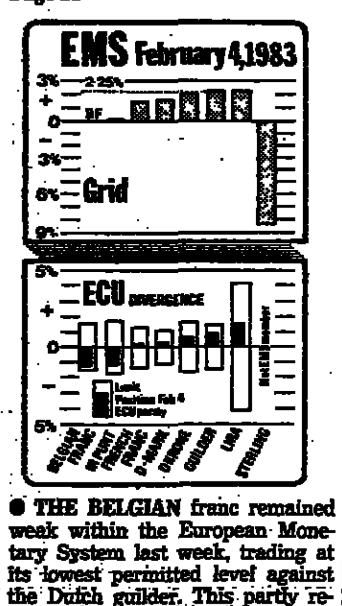
Chinese expect $1.9bn deficit

● CHINA expects a $1.9bn trade deficit this year because of plans to increase imports after earlier heavy cuts, said Foreign Trade Minister Chen Muhua. Last year China produced a record 344.3m tonnes of grain, 3.7m more than in 1979, the previous peak year.

Chinese oil production in January was 84m barrels, 4.1 per cent above the target figure.

● NIGERIA has revised its list of goods subject to import licences. Page 4. The country is featured in today's special Statistical Analysis article. Page 3

● IMF members meet in Washington on Thursday to try to agree an increase in quota subscriptions. Page 14



● THE BELGIAN franc remained weak within the European Monetary System last week, trading at its lowest permitted level against the Dutch guilder. This partly reflected the usual pre-weekend switch out of the weaker currencies as a natural precaution against a realignment.

The Belgian unit appeared to be largely unaffected by political unrest in Belgium and the possibility of a Government collapse. Belgian and Dutch central banks were believed to have given support from time to time, but on no great scale.

Elsewhere the Dutch guilder was firm while the Italian lira was the most improved currency, by virtue of its wider divergence allowance.

The D-Mark showed little overall change on the week ahead of next month's general election, although it rose strongly on Friday against the French franc, prompting intervention by the Bank of France.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

● BRITAIN'S water workers' strike enters its third week today. Union leaders yesterday rejected a new offer in talks with employers. Page 14

● FRENCH Treasury is preparing details of an innovation in public debt financing. Page 16

● U.S. FEDERAL open market policy committee meets tomorrow to set new guidelines for the current year.

● UK NATIONAL Coal Board is to run a full test on Merseyside to see if it is feasible to produce methane gas from a rubbish dump. Page 6

● TURKEY, forced to reschedule some $3.5bn of foreign debts in 1980, will not seek new credits abroad this year.

● BMW, the West German car maker, decided not to bid for the Jaguar subsidiary of UK state-owned BL. Page 14.

British new car registrations in January were a record for the month of 114,334, with Ford taking 33.9 per cent, and BL only 18.9. Page 6

● MR IAN MacGREGOR, aged 70, British Steel Corporation chairman, has been asked by Premier Margaret Thatcher to take over as National Coal Board chairman in July. Page 14

Two-tier rand ends as S. Africa eases exchange controls

BY J.D.F. JONES AND BERNARD SIMON IN JOHANNESBURG

South Africa yesterday ended 22 years of exchange controls for non-residents by abolishing the dual rate for the rand in what Mr Owen Horwood, the Finance Minister, called "a giant step forward" for the economy.

The unexpected move, which takes effect today, means foreigners will be able to transfer capital into and out of the country at will under a single exchange rate. Previously, they were restricted to the financial rate – or blocked rand – which has traded over the past year at a discount to the commercial rand of between 9 per cent and 30 per cent.

A prime objective of the decision is to drain a huge build-up of liquidity in the economy. A major factor in this has been a dramatic surge in the gold price from less than $300 an ounce last June to its recent levels of around $500.

The move is in line with what the International Monetary Fund (IMF) – which lent South Africa $1bn last November – would like, although Mr Horwood denied that it had been requested by the IMF.

Financial markets in Johannesburg and abroad will today undergo what Mr Horwood described in his announcement in Capetown at the weekend as "a number of adjustments." He added that the effects of the move on share prices, exchange rates, interest rates, money and credit were impossible to predict accurately.

First casualties are expected to be the commercial rand, which could fall to anything between 85 and 90 U.S. cents, depending on the Reserve Bank's managed float policy (it closed last Friday at 92.9 cents), and the Johannesburg Stock Exchange, where brokers fear a 10-30 per cent initial downturn after six months of booming share prices.

The financial rand is South Africa's investment currency which dates originally from 1961, when the Sharpeville Massacre provoked a flight of capital out of the republic. It can be used for venture capital as well as portfolio investment.

The dual rate has therefore acted as an incentive to foreign investment in South Africa – the financial rand was at 77 cents last Friday, a discount of 17 per cent. It has also been a deterrent to disinvestment, because such funds can only leave the country through the financial rand market, whereas dividends are remitted at the commercial rate.

The immediate question must be whether the new system will lead to an unexpectedly large exodus of funds, and possibly tempt a number of foreign companies to liquidate their assets in the Republic. Presumably the Government and the financial authorities have judged the reserves to meet such an eventuality and that most foreign investors will decide that South Africa seems stable for the time being.

Mr Horwood described the move as "a great expression of faith, to compete openly in the international capital market, which holds great advantages for South Africa."

Explaining the reasons for the change, which caught most observers by surprise, Mr Horwood told a press conference that there had been a substantial improvement in the balance of payments in the fourth quarter of 1982 and that South Africa could expect a "moderate surplus" on the current account in 1983. He said there had been a substantial net inflow of foreign capital recently, while the rand had appreciated by nearly 10 per cent against a currency-basket since mid-1982. Foreign reserves, he

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Analysis, Page 2; Lex, Page 14

Japan drafts new law to restructure industry

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN's Ministry of International Trade and Industry (MITI) has finished drafting a comprehensive law designed to help the restructuring of specific depressed industries such as petrochemicals, aluminium and chemical fertilisers.

Believed to be the only piece of legislation of its kind in any major industrial country, the law will enable MITI to call for the preparation of capacity scrapping programmes by seven designated industries.

It will also provide machinery for the exemption from the Anti-Monopoly Law of joint production and joint marketing ventures planned by companies in depressed industries. MITI sees the formation of marketing or production "groups" within certain industries as an essential means of cutting costs. It denies that the purpose of such groups would be to reduce competition within industry.

The seven industries covered by MITI's draft legislation are electric furnace steel-making, aluminium smelting, synthetic fibres, chemical fertilisers, ferro alloys, paper and petrochemicals. All seven have been suffering acutely during the past two years from energy or raw materials costs that are out of line with those in other countries or from declining demand.

In the extreme case of the aluminium smelting industry, the cost of the electric power required to produce one ton of metal in Japan is currently about 65 per cent above the world market price.

MITI's new draft legislation for depressed industries is designed as the successor to a 1978 law covering some of the same industries which expires in June this year. The new MITI legislation duplicates proposals for capacity scrapping contained in the earlier law but differs in the stress it places on group formation within depressed industries.

MITI's advocacy of marketing and production groupings as a solution to the problem of depressed industries brought it into conflict with the Fair Trade Commission (FTC) which acts as the enforcement agency for Japan's Anti-Monopoly Law. Eventually, the two agencies agreed on a consultation mechanism, provisions for which have been written into the MITI draft.

The agreement on consultation will oblige MITI to inform the FTC of proposals for forming groups as and when it hears about them from the private sector. If the FTC objects to the proposals, the two ministries will hold discussions with the FTC preserving an ultimate right of veto. The FTC will also have the right of retrospectively vetoing joint ventures or groupings which it thinks have ceased to be justified because of changed circumstances in the industry concerned.

The groupings that MITI appears to have in mind include the use of common marketing channels by companies producing similar or identical goods and arrangements under which one company in an in-

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Disclosure proposal for Lloyd's council

BY JOHN MOORE IN LONDON

THE 27 members of the new governing council of Lloyd's of London, the insurance market, may have to disclose all their business interests in the future as part of moves by Lloyd's to identify areas of possible abuse within its community.

The matter has yet to be discussed in a formal session of the new council. This started work only at the beginning of this year following new legislation to improve Lloyd's self-regulatory mechanisms which has just come into force.

But Sir Peter Green, Lloyd's chairman, said last week, "I think, and this is only my opinion, that the members of the council will have all their business interests disclosed, whether it is anything to do with insurance or anything else."

The consideration of such a move follows concern within the Lloyd's market about the future accountability of the new Lloyd's council and the amount of disclosure it should be prepared to make.

Any new move in this direction would mark an extension of the disclosure proposals put forward by a working party headed by Lloyd's newly-appointed chief executive, Mr Ian Hay Davison. His proposals have largely limited new disclosure rules to the insurance interests of the working members of the market.

These proposals have been criticised for being too limited. The most controversial item is the creation of a two-part central register showing the interests of underwriters and brokers.

If the new proposals are as widely drawn as Sir Peter suggests it could mean that the eight external members, who represent those who pledge their wealth to allow the Lloyd's market to function, and the three outsiders who are nominated by the council and have no connection with Lloyd's may also have to disclose their business interests.

Sir Peter Green interview, Page 6

UK unions bid to cut car imports

By John Lloyd, Labour Editor

A COMMITTEE of union officials from UK car plants has been formed with the aim of persuading the country's largely multinational car industry to cut down on imports from overseas subsidiaries.

The "campaign for import controls committee," set up at a conference of union activists from car and component companies in Coventry yesterday is officially backed by the Transport and General Workers union (TGWU). The TGWU is Britain's biggest union and organises dockers and transport workers, whose support is crucial to the success of plans to keep out imported vehicles.

The object of the new committee is to obtain "a large reduction in the high level of importation and the elimination of mass unemploy-

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Car sales up, Page 6

Dr Helmut Kohl

Poll gives CDU-CSU absolute majority

By James Buchan in Bonn

THE CONSERVATIVE parties within West Germany's coalition Government will achieve an absolute majority at the general elections on March 6, according to an opinion poll to be published today.

The poll, conducted by the Emnid Institute up to January 25, gives Chancellor Helmut Kohl's Christian Democrats and their Bavarian allies, the Christian Social Union, 49 per cent of the vote, higher than at any time since Christmas. The third member of the coalition, the Free Democrat Party, will not achieve parliamentary representation.

According to the poll, to be published in today's Spiegel magazine, the "union" parties would thus wield an absolute majority over the Social Democrats, whose support remains stable at 42 per cent since December, and the Anti-nuclear Greens, with 5 per cent, the minimum required for proportional representation in the Bundestag.

Herr Hans-Dietrich Genscher's Free Democrats, who climbed back to the critical 5 per cent in an Emnid poll of mid-January, are now given 4 per cent and no parliamentary future.

While an absolute majority for the union would be heartily welcomed by business in West Germany, opinion poll institutes do point out that the margin for error is not less than 1–2 per cent and the chances for both Greens and Free Democrats are still open.

The Free Democrats believe that they are on the road to recovery since their collapse in popularity after switching coalition partners last September.

Romania in $600m debt rescheduling

BY PETER MONTAGNON IN LONDON

ROMANIA has moved with lightning speed to agree terms on a rescheduling of about $600m in debt owed to Western banks this year.

The agreement, which covers 70 per cent of the debt that Romania was due to pay Western banks in 1983, was reached late last week at a meeting between top Romanian officials and leading bank creditors in Paris.

This was only the second meeting between the two sides, and the atmosphere contrasts dramatically with the early days of Romania's payments difficulties in late 1981.

Top Romanian officials were then refusing to answer telephone calls from frustrated bank creditors. Now, according to one participant at last week's talks "the Romanians are pushing this thing just as hard as the banks."

Details of the new agreement are expected to be circulated to all creditor banks this week. They include the same margin – 1¾ per cent over Eurocurrency rates – as last year's rescheduling with final payment due in six and a half years.

Romania is to repay the 30 per cent balance of the debt which is not being rescheduled during the second half of this year. Moreover, another instalment of $86m will be made next year. This has been made possible by its strong balance of payments which is expected to be in surplus by around $650m this year.

Banks can thus expect speedy repayment of a much larger proportion of the debts they are owed than in last year's $2bn rescheduling, where the downpayment was only 20 per cent of the total.

The Romanian success story does not, however, mean that things are also going as smoothly with other East European borrowers.

The IMF meets in Washington this week with all its members agreed on the need for an increase in individual countries' quotas to boost the fund's resources. But there are likely to be wide differences of opinion on the size of the increase, with the U.S. calling for moderation while poorer members demand a near-doubling of resources. Page 14.

No rescheduling talks with Poland have begun for 1983. A meeting of banks to discuss Yugoslavia's rescheduling and new loan request that is planned for later this week in Paris may be postponed because banks are having difficulty in obtaining adequate statistical data.

Response to Hungary's efforts to raise $200m through Deutsche Bank has also been rather lukewarm.

Venezuela seeks to extend payments

BY KIM FUAD IN CARACAS

THE VENEZUELAN Finance Minister, Dr Arturo Sosa, flew to Washington yesterday on the first leg of a 20-day tour of the U.S., Europe and Japan to ask international banks to extend until 1985 payment of $9bn of short-term public debt falling due this year.

Dr Sosa, who is accompanied by the central bank president, Sr Leopoldo Diaz Bruzual, says Venezuela will continue to pay interest on both short and long-term debt as well as $1.4bn on principal payments on its long-term debt this year.

Venezuela's public debt is officially $24bn, but including private-sector obligations, it is believed to be $30bn. The country's international reserves stand at $9.5bn.

"We are only asking the banks to extend maturity payments on short-term obligations to improve our debt profile," Dr Sosa said. He felt sure the international finance community believed in Venezuela's capacity to pay its debt and generate foreign exchange from its oil exports.

Dr Sosa told foreign bank representatives in Caracas before announcing his tour of international finance capitals that Venezuela could draw on more than $1m it has available in the International Monetary fund if it is required.

CONTENTS

JDF Jones and Bernard Simon on the background to Pretoria's financial measures

South Africa makes a gesture of confidence

SOUTH AFRICA'S economic planners have frequently been criticised for their caution. But the weekend decision to abolish exchange controls over non-residents and re-establish a single exchange rate for the rand is ramarkable for its boldness.

For the first time in more than two decades, foreigners will be free from today to transfer funds in and out of the country at will at a single exchange rate which has become increasingly responsive to market forces. No longer will capital outflows be penalised by having to be channelled through a separate investment currency, the financial rand, whose discount to the commercial exchange rate has ranged between 9 per cent and 30 per cent in the past year.

Because of the South African authorities' reputation for doing too little too late, the measures have caught many by surprise. In 1980, Pretoria allowed the boom in the gold price to distort the domestic economy by doing nothing to counter the huge build-up of liquidity. But the lesson has been learned, and the governor of the Reserve Bank, Dr Gerhard de Kock, has frequently made it clear that the same mistake will not be made again.

The circumstances are very similar now to those prevailing in the late 1970s. A sharp rise in the gold price has caused a dramatic turnaround in South Africa's balance of payments. Just a year ago, when the gold price was tumbling towards $300 an ounce and imports were soaring, the current account deficit reached an alarming annual level of R6.9bn (£4.2bn). That was the first quarter.

Now, the surge in the gold price and a drop in import demand have pushed the deficit down to less than an annualised R1bn in the third quarter of last year and, according to the Reserve Bank's senior deputy governor, Dr Chris Stals, the current account moved to an annualised surplus of around R1bn between October and December.

The increase in domestic liquidity and expectations of a further rise have been reflected in a sharp fall in interest rates. The rate on three-month Treasury bills has tumbled in the past four months from over 16 per cent to around 11 per cent.

The liquidity position has been aggravated by heavy overseas borrowing by South African companies. Convinced that the high gold price would keep the rand strong, they have rushed to take advantage of low U.S. and European interest rates, often without bothering to cover their repayments forward. The money supply rose at an annual rate of 14 per cent in the final three months of last year, bringing the increase for 1982 as a whole to 17.4 per cent. This is well above the 12-13 per cent target set by the International Monetary Fund last November when it approved a 1bn SDR ($1bn) loan package for South Africa.

A prime objective of loosening of exchange controls is thus to begin draining some liquidity from the economy. The South African authorities are not worried that the outflow might become a flood.

"Our only reservation was what might happen in Soweto," Dr Stals told the FT, referring to the danger of political instability which might prompt many foreigners to take their funds out as fast as they could. The two-tier exchange rate was introduced in 1961 precisely to counter a capital flight following political unrest in the wake of the Sharpeville killings.

"We must take the risk," says Dr Stals. He adds: "We're doing it from a position of strength."

Thanks to the improvement in the trade and invisibles balance, the Reserve Bank has been able to pay back large chunks of the foreign loans it negotiated in 1981 and 1982 to shore up the reserves. Its foreign liabilities have plunged from more than R2bn in mid-1982 to less than R200m at the end of January, excluding the IMF loans. In other words, Pretoria has access to considerable support if the outflow becomes a flood.

It seems likely that the bank is prepared to use both its reserves and the exchange rate to soften the blow.

"There will be some depreciation of the rand," Dr Stals said yesterday.

He is believed to have told business leaders in Johannesburg that the rand is likely to fall to around 87-89 U.S. cents today, compared with Friday's close of 92.90 cents.

How big will the outflow be? No one can predict that with any accuracy, but there is little doubt that it will be substantial. Investing on the Johannesburg stock exchange is suddenly no longer as attractive to foreigners as it was last week. Foreign investors have, up to now, been able to use financial rand to buy shares, but were allowed to remit dividends through the commercial rand. Yields on South African shares will thus no longer be as high as they were, although the impact of the lower commercial exchange rate on gold mine earnings—because the gold price is denominated in dollars—will to some extent compensate.

The extent to which investors in South African commerce and industry now decide to get out will depend mainly on their perception of the country's political future and the chances of exchange control being re-imposed in the future. The chances of the controls being re-imposed are slight unless the political situation deteriorates.

Dr de Kock's long-term commitment to the principle of a unified rate lies behind all the other factors which Mr Horwood, the Finance Minister, has adduced to explain the weekend decision. There is also a psychological element. Many South Africans have found it embarrassing that their economy should have been run as if under siege—as if half the occupants would flee if the gates were opened. Similarly, they took no great pleasure in having to have recourse to the IMF last year. Now, they are delighted to believe, not only that the republic may be coming through the international recession rather faster than expected, but that this bold gesture of confidence can be made even before the upswing is clearly established.

The credit, of course, belongs as so often before to the gold price. Last week, in the junketings surrounding the opening of the new parliamentary session in Cape Town, Mr Horwood was prepared to admit — now that it was ancient history — that he had suffered a moment's anxiety when the gold price actually dipped below $300 last June. Today, with gold flirting around the important $500 mark, he can be forgiven for looking cheerful.

Shultz . . . Brought invitation from Reagan

Shultz optimistic after Peking talks

By Tony Walker in Peking

MR GEORGE SHULTZ, the U.S. Secretary of State, left Peking at the weekend, claiming that his four-day visit had contributed to renewed Sino-American co-operation.

At a farewell banquet in his honour, Mr Shultz noted that "while problems do exist, I leave our discussions more convinced of the real opportunities for enhanced co-operation . . . in a host of fields."

Mr Shultz later confirmed that he had brought an invitation from President Ronald Reagan for Zhao Ziyang, China's Premier, to visit the U.S. this year.

It is expected that Zhao will visit Washington in June or September. Mr Schultz also hinted at the possibility of a visit to China by Mr Caspar Weinberger, the U.S. Defence Secretary.

But the Chinese appeared less enthusiastic about progress in the talks, which were the most exhaustive discussions between U.S. and Chinese officials in the life of the Reagan Administration. Wu Xueqian, China's Foreign Minister, said at the banquet that he had had "useful talks" with Mr Shultz in a "frank and calm" atmosphere. "These talks show our two countries hold identical or similar views on some major international issues, but have differences on others," Wu said.

Mr Shultz said some issues needed to be managed with "great care." He had assured the Chinese that the U.S. took seriously the commitment it had made in last year's joint communique to reduce arms sales to Taiwan and intended to abide by it.

China objects to continuing U.S. arms sales to Taiwan, claiming the U.S. action is an interference in internal Chinese affairs. Mr Schultz indicated, however, that as a result of his discussions with Chinese officials, regular defence contacts, interrupted by the Taiwan dispute, would be resumed

Within hours of Mr Shultz's departure, the official Xinhua news agency claimed that the ceiling set by the U.S. on its arms sales to Taiwan "far exceeded the maximum annual figures published by U.S. Government departments."

The agency quoted Chinese leaders as telling Mr Shultz that "unless the Taiwan problem is resolved, mutual trust between China and the United States is out of the question and bilateral relations cannot possibly develop on a sound basis."

Mr Shultz's talks with the Chinese touched on the possibility of sales of U.S. nuclear technology to China. This issue is likely to be discussed by Mr Malcolm Baldrige, the U.S. Commerce Secretary, when he visits Peking in May.

Reuter adds from Seoul: Mr Shultz pledged continued military support for South Korea after arriving in Seoul yesterday amid increased tension with the north over U.S.-South Korean military manoeuvres.

HK land sale may signal end of price slump

By Robert Cottrell in Hong Kong

THE HONG KONG Government has sold for commercial development a 5,410 square metre site at Kowloon Park, Tsimshatsui, for HK$218m ($33m). The price is perhaps half what the site might have fetched before the local property market began its severe decline through 1982.

Some analysts believe Hong Kong property values may yet fall further. But local developers are likely to draw reassurance that prices have at least reached a level where buyers are beginning to be tempted back into the market.

The Kowloon Park site, designated for development as a shopping centre, was bought jointly by two local property companies: New World Development and Miramar Hotel and Investment.

Beirut ceasefire plan fails as fighting worsens

BY NORA BOUSTANY IN BEIRUT

FIGHTING between Druze and Christian militiamen in the hills east of Beirut intensified yesterday and a planned Israeli-arranged ceasefire collapsed as kidnapping and sniping endangered mountain roads.

Sixty people have been killed in clashes involving the Phalange-dominated Christian "Lebanese Forces" and the Druze fighters of the Progressive Socialist Party in the past week.

Voice of Free Lebanon, the radio station speaking for the right-wing Christian militia, insinuated that the deterioration was intentional. It accused the Israelis of allowing leftist PSP gunmen to pound Western neighbourhoods of the mountain resort of Aley while preventing the Lebanese forces from leaving their barracks to repel the Druze offensive.

Gen Ariel Sharon, Israel's Defence Minister, last week threatened to pull his forces out of combat areas thus leaving Christians to their fate. The Israelis have often intervened to separate the warring factions. The tension in the mountains underscored fears that the security situation would again get out of control unless President Amin Gemayel showed more flexibility in discussions on future ties with Israel.

The residential areas of the mainly Christian East Beirut and Badaro came under shelling for the second time in less than a week this weekend following a series of bombing attacks and heightened tension in the Lebanese capital. Beirut had been relatively calm since October in the aftermath of the evacuation of Syrian and Palestinian forces and the collection of arms by the Lebanese Army and the multinational force.

On Saturday a car bomb killed 20 people and wounded over 100 more at the Palestine Research Centre and the Libyan News Agency.

The Palestine Research Centre is one of five PLO institutions allowed to stay on in Beirut under U.S. guarantees given in return for the evacuation of guerrillas from here. The Lebanese Government has yet to decide on the status of such institutions.

Hawke drops capital gains tax proposals

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN Labor Party, under its new leader, Mr Bob Hawke, is expected to outline its economic strategy on Thursday, as the campaign for the general election on March 5 gets under way.

Yesterday it became clear that Mr Hawke had backed away from proposals to implement a capital gains tax, thus robbing the ruling Liberal-National Party coalition partners of a promising avenue of attack. The new Labor leader had previously backed the cause of capital gains tax, which cost the ALP dear in the 1980 election.

There is concern in government circles at Mr Hawke's adroitness to date, in shying away from contentious issues, with the result that the Prime Minister, Mr Malcolm Fraser, may be keen to widen his attack to include non-economic issues such as state aid, defence, and states' rights.

The election was announced last Thursday – the same day Mr Hawke unseated Mr Bill Hayden as leader of the ALP.

Federal Ministers met in Melbourne yesterday to discuss the major policy speech Mr Fraser is due to make on February 15.

Final details of Labor's economic strategy will be ironed out in talks between Mr Hawke, Mr Paul Keating, the ALP's recently-promoted spokesman on economic affairs, and his predecessor as Shadow Treasurer, Mr Ralph Willis.

Mr Hawke said yesterday that Labor would not introduce a capital gains tax, but that it would use existing laws to "smash the tax avoidance industry." Evidence of widespread tax avoidance in Australia was detailed last year in a Royal Commission report by Mr Frank Costigan, QC, which gravely embarrassed the Government.

The ALP claimed last August that tax frauds perpetrated as a result of the Government's "institudinal response" to evidence of tax evasion had cost between A$10bn and A$15bn ($9.7bn to $14.5bn), while Mr Costigan said the country had suffered a "major fraud on its revenue."

Mr Hawke reacted sharply to criticism by Mr Fraser that the ALP had not yet presented its economic policy. Labor policy in this area, he said, would be specific and believable.

He added that he expected the Australian Council of Trade Unions fully to endorse Labor's prices and income proposals.

Mr Hawke ridiculed the Government's budget of last August 17, and said the budget deficit for 1982-83 was expected to be at least A$4bn, instead of the A$1.7bn forecast. "Certainly the assertion of a temporary wages freeze, of itself, is no substitute for a coherent and rational economic policy," he said.

Mr Fraser yesterday repeated his assertion that plans by the Tasmania state government to built a hydro-electric dam in the South-West wilderness would not be an issue in the election. However, the Tasmanian Wilderness Society, and other leading environmentalist groups, have vowed to throw their full support behind the ALP, which could cost the Government dear in marginal seats. "There are people who do not want the dam built," Mr Fraser said yesterday, "but there will be more people who do not want a centralist government in Canberra telling a state what it should do."

French car makers join government price accord

BY DAVID MARSH IN PARIS

RENAULT and Peugeot, the two big French motor manufacturers, will raise car prices by an average 2 per cent this week following the signing of a price control agreement with the Government at the weekend.

The increase, which follows a rise of 4 per cent four months ago just before the ending of the French price freeze, will help ease the financial positions of the two groups. Both made large losses last year – estimated at up to FFr 2bn ($286m) each – and have been hit by the current round of labour unrest in the French vehicle industry, which has caused lost production of about 50,000 cars so far this year.

The Government is determined, however, that the increase will not compromise its overall anti-inflation policy.

Under the weekend agreement, Renault and Peugeot have undertaken to increase their prices by no more than 7.5 per cent for the whole year – below the Government's target inflation rate of 8 per cent.

The motor industry accord, announced by the Finance Ministry, marks the final step in the Government's round of "inflation-fighting" agreements with major industrial groups. All the important sectors of the French economy have now been brought into a contractural framework governing 1983 price rises, the Ministry said at the weekend.

Motor car imports – which captured 30 per cent of the buoyant French market last year – are covered by separate anti-inflation contracts governing distributors' margins.

Zimbabwe rebels killed

BY OUR HARARE CORRESPONDENT

FIVE dissidents have been killed and 14 captured in Matabeleland in the past few days, a Zimbabwe Government official said at the weekend.

An official announcement mirrors the similarity between the dissident campaign in western Zimbabwe by an estimated 500 dissidents and the guerrilla war waged against the white government in the 1970s.

Government sources speak of schools being forced to close – just as they did during the guerrilla war – of teachers fleeing the rural areas, of a setback to development programmes as construction equipment is destroyed, and of many instances of petty theft and violence.

The authorities are appealing to the Ndebele villagers, whose traditional loyalty is to Mr Joshua Nkomo's Zapu, not to feed or assist the young bandits, most of whom are former members of Mr Nkomo's Zipra Guerrilla army, disbanded in 1981.

Mr Nkomo and his parliamentary colleagues have responded by accusing the security forces – and especially the North Korean-trained fifth brigade deployed in the area in the past two months – of brutal, repressive tactics.

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STATISTICAL TRENDS: NIGERIA

Struggle to restore economic balance

NIGERIA depends on oil for over 90 per cent of its foreign exchange and 80 per cent of its government revenue. Consequently, its economy is closely dependent on the world economy and the state of oil markets. The uncertainty about the price of oil makes the country's immediate prospects unpredictable. Accurate assessments are made more difficult by a lack of reliable data.

Oil exports fell 34 per cent in volume terms in 1981, real GDP by nearly 5 per cent, and this is estimated to have fallen 2 per cent in 1982. Inflation in 1981 was about twice the level of the previous two years. Nigeria ran a heavy current account deficit in 1981, and estimates suggest

Commentary by Our Economics Staff; data analysis by Financial Times Statistics Unit; charts and graphs by Financial Times Charts Department.

a further large deficit in 1982, although they vary substantially. The first stringent round of restrictions did not cut imports as much as targeted, and further controls have been imposed. The fall in oil revenue has also led to cutbacks in planned investments.

The foreign exchange reserves remained quite stable for much of last year, despite consistent external deficits, because of long and increasing delays in payments.

Nigeria's external debt, concentrated in long and medium-term public debt, has risen sharply since 1978. Before that, Nigeria had very little recourse to external borrowing. Although the debt/ratio is still low by African standards, it has shot up as exports have declined.

The most striking feature of the non-oil economy has been the decline of agriculture. While GDP grew by an annual average rate of 6.5 per cent through the 1970s, agricultural growth has only been just above zero. More than half the workforce remains on the land, and population growth has been outstripping that of food production. The real value of Nigeria's non-oil exports has declined by 40 per cent since 1964. Food imports climbed from 8 per cent of total imports in 1968 to 15.5 per cent in 1979.

The decline of agriculture is partly a consequence of the oil boom which caused the Nigerian currency (the naira) to appreciate sharply so that imports increased and workers moved into the urban areas. Although Nigeria was formerly the world's leading exporter of groundnuts, and palm kernels and oils, and the second largest cocoa exporter, its agricultural exports now fall far short of its agricultural imports.

Attempts have been made to change the balance through spending on major infrastructural and other projects—10 per cent of the budget under the fourth National Development Plan was earmarked for agriculture—but this programme is likely to suffer from declining government revenues.

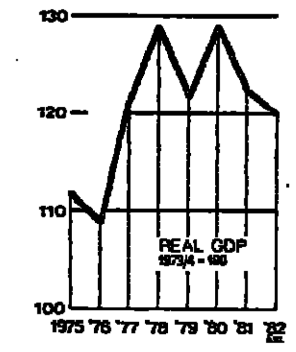
Manufacturing has also faced serious problems from the high value of the naira, in that imported goods are cheaper than locally made ones. Yet because of the scarcity of local materials, manufacturing is very dependent on imports. Any devaluation would tend to increase these costs.

AGRICULTURAL GROWTH
Average annual rates %
(1969-71 to 1977-79)

	Total		Per capita	
	Food	Non food	Food	Non-food
Nigeria	1.7	−1.3	−0.8	−3.8
Zambia	3.0	−0.9	0.0	−3.9
Kenya	2.9	7.5	−0.5	4.1
Senegal	1.0	11.3	−1.6	8.7
Ivory Coast	4.6	1.8	−0.9	−3.7

Source: World Bank

General



BALANCE OF PAYMENTS
Naira m

	1980	1981	1982
Exports	12,800.9	10,529.6	7,215.9
Imports	8,716.4	11,876.5	7,800.0
Services (net outflow)	2,176.3	3,053.1	2,253.2
Balance	1,908.2	−4,400.0	−2,849.3
Current account bal.*	1,593.0	−4,834.5	−3,169.5
Net capital flow	+774.6	+883.8	+682.9
Current & cap accnt.	2,367.6	−3,950.7	−2,483.6

* Different estimates were given in the Budget speech. For 1981 N−3.4bn; 1982 N−1.4bn.

Source: Central Bank of Nigeria, estimates by National Planning Office

GROWTH OF PRODUCTION
Annual average rates %

	1960-70	1970-80
GDP	3.1	6.5
Agriculture	−0.4	0.8
Industry	12.0	8.1
Manufacturing	9.1	12.0
Services	4.9	9.7

Source: World Bank

POPULATION AND EMPLOYMENT

Per cent of labour force	1960	1980
Agriculture	71	54
Industry	10	19
Services	19	27
	1960-70	1970-80
Growth of labour force* %	1.8	2.0
Population growth*	2.5	2.5
Urban growth*	4.7	4.7

* Average annual rate.

Source: World Bank

CONTRIBUTION TO GDP
%

	1974	1981
Agriculture	30.0	21.0
Mining	18.0	11.5
Manufacturing	4.4	8.6
Construction	10.0	12.9
Distribution	19.6	22.2
Other services	18.0	23.8

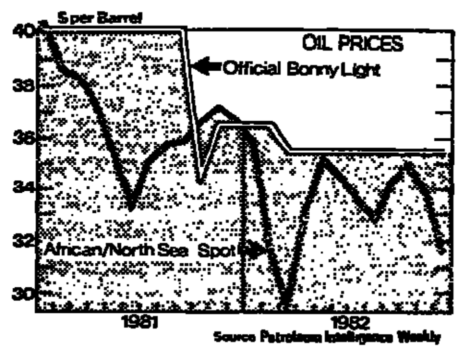
Source: Federal Office of Statistics and Budget estimates

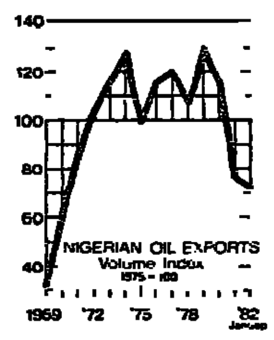
Oil

CRUDE OIL PRODUCTION
million barrel/day

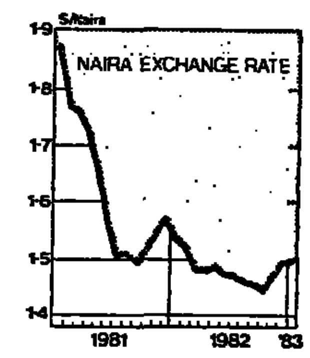
	1980	1981	1982
January	2.157	2.092	1.754
February	2.148	1.943	1.388
March	2.156	1.868	1.364
April	2.189	1.623	0.899
May	2.141	1.293	1.308
June	2.195	1.268	1.648
July	2.100	0.773	1.259
August	2.049	0.707	1.106
September	1.577	1.061	1.165
October	1.901	1.205	1.489
November	2.062	1.582	1.365
December	2.018	1.786	1.210
Share of OPEC prod. %		6.4	6.9

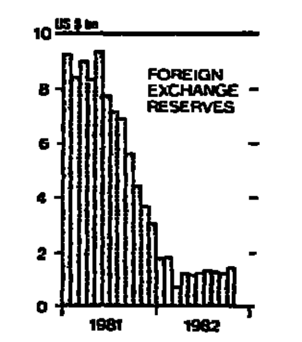
Source: Nigerian Natural Petroleum Corp and Lagos Chamber of Commerce





Finance





EXTERNAL DEBT OUTSTANDING
End 1981 (U.S.$bn)

	Disbursed only	Including undisbursed
Medium and long term	6.0	13.1
Public & publicly g'r'nt'd.	4.7	11.8
Private non-guaranteed	1.3	1.3
Short term	0.2	0.2
Total	6.2	13.3

PUBLIC DEBT OUTSTANDING
U.S.$bn end year

	Disbursed only	Including undisbursed
1970-76 av.	0.9	1.3
1977	0.0	1.3
1978	2.3	3.3
1979	3.2	7.1
1980	4.0	8.4
1981	4.7	11.8

EUROCURRENCY BANK CREDITS
Publicly announced in period, U.S.$m

1976	nil
1977	1,000
1978	825
1979	1,373
1980	1,330
1981	1,802
1982	2,017

Source: Morgan Guaranty Trust

Trade

GROWTH OF TRADE
U.S.$m + %

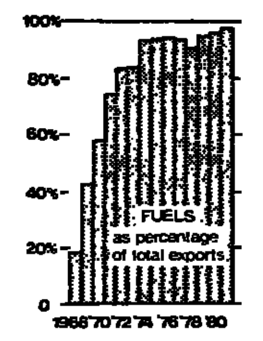
	Exports		Growth*	Imports		Growth*
	1975	1981	1975-81	1975	1981	1975-81
Industrial countries	6,581	15,731	15.7	5,338	15,449	19.4
EEC	3,707	5,640	7.2	3,686	10,018	18.1
USSR and E. Europe	124	32	−19.0	90	233	17.2
Non-oil developing	1,282	2,801	13.9	585	2,656	28.7
W. Hemisphere	1,100	1,743	8.0	100	420	25.1
Asia	10	27	18.1	272	1,726	36.1
Africa	163	420	17.1	55	134	16.0
Total	7,995	18,727	15.2	6,032	18,776	20.8

Source: IMF

IMPORTS BY END-USE
% of total

	1973	1979	1980	1981
Consumer durables	9.5	8.3	8.9	12.2
Consumer non-durables	25.0	19.9	30.7	32.2
Capital goods	38.0	48.6	33.5	31.1
Raw materials	26.7	23.1	26.8	24.4
Miscellaneous	0.7	0.1	0.1	0.1

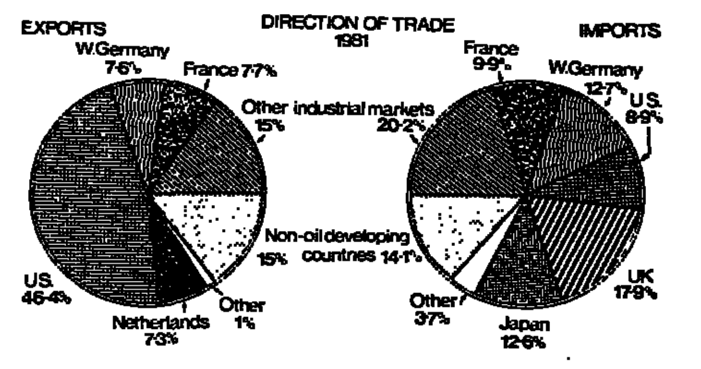
Source: Central Bank of Nigeria



CHANGES IN TRADE %

	Exports volume	Terms of trade	Ratio exports/ imports
1971	39.7	30.4	1.19
1972	11.1	−1.6	1.45
1973	13.0	18.4	1.89
1974	9.7	124.5	3.49
1975	−20.9	−4.2	1.29
1976	16.3	7.2	1.23
1977	2.2	3.5	1.06
1978	−9.6	−13.7	0.82
1979	19.7	28.0	1.75
1980	−11.9	51.0	1.64
1981	−33.3	13.2	1.06

Source: IMF



WORLD TRADE NEWS

Tom Sealy, recently in Helsinki, on aspects of Finnish-Soviet nuclear co-operation.

Venture competes for third country sales

A JOINT Finnish-Soviet group is now competing to build Yugoslavia's next nuclear power station as the first ever East-West co-operative venture in nuclear technology in third countries.

At this stage, the group comprises Finland's state-owned nuclear power company Imatran Voima Oy and the Soviet nuclear engineering enterprise Atomenergoexport. Finland is the only country outside Comecon to operate Soviet-designed nuclear reactors.

The first of these, a Soviet Novovoronezh VVER 440 pressurised water reactor, went into commercial operation in May 1977 and was followed by a second VVER 440 reactor in January 1981. Both reactors are co-located in the same power station at Loviisa on the island of Hastholmen about 100km from Helsinki.

But, as Mr Klaus Raninen, board spokesman of Imatran Vioma points out, the Loviisa nuclear power station is by no means a total Soviet project.

"It is a joint East-West project," he says. "The USSR supplied the general process design and the reactors and generators and so on, but Finland provided the architectural and structural design, the actual construction of the buildings and containment and some control instrumentation.

"Other instrumentation, automation and control equipment was supplied by a number of western suppliers. The ice condenser was built under a Westinghouse licence and the whole was supervised and co-ordinated by Imatran Voima."

'Yugoslavia is regarded as the best first prospect'

It is this kind of co-operative venture, combining international technology in a single plant, that Imatran Voima and its Soviet partner now want to sell elsewhere. Yugoslavia is regarded as the best first prospect because it is one of the few countries outside Comecon with an active nuclear programme but no nuclear engineering industry.

Yugoslavia has only one nuclear plant, a Westinghouse 620Mw pressurised water reactor which went on stream at Krsko last October. But the country's nuclear programme calls for up to three more power stations with the first located near Zagreb and the second, probably, in Vojvodina.

But Yugoslavia is also in severe financial trouble, and this throws the whole of its nuclear power programme into some doubt. Also, even if it were to go ahead, the recent U.S.-inspired Western aid package would make it politically difficult for the Yugoslavs to choose a Soviet reactor design rather than a Western one.

But Mr Raninen still believes that the joint-venture has a chance "I believe we could be very competitive on price and also offer a high level of reliability," he says. "We are getting a consistently high load factor from the Loviisa reactors. In 1981 the Loviisa I reactor had a load factor of 80.6 per cent and Loviisa II, in its first full year of operation, 70.5 per cent. Last year Loviisa I had a load factor of 84.2 per cent and Loviisa II of 77.7 per cent."

A report submitted to the Sizewell nuclear plant inquiry in the UK by the Science Policy Research Unit at Sussex University puts the load factor of the Westinghouse pressurised water reactor of the type selected for that project at less than 60 per cent between 1978 and 1981.

'The Soviets have agreed to supply and dispose of fuel'

"The Soviets," says Mr Raninen, "tend to use more material than Western designers. In the West the aim is to use as little material as is consistent with safety. If the calculations specify a wall thickness of 3 mm, that is what is used. But the Soviets tend to add on another 2 mm or so just to be sure. I am sure this is a factor in the high reliability of the Soviet reactors."

Another potential advantage for foreign markets is the Soviet agreement to both supply and dispose of nuclear fuel. Under current agreements with the Soviets Imatran Voima buys its nuclear fuel in ready-to-use form from Russia and these supplies are guaranteed for the life of the reactor. Also Imatran Voima only has to store spent fuel for five years. After this time it is returned to the USSR for reprocessing or long-term storage.

Nor will Imatran Voima and its Soviet partner be too disappointed if they fail to get the Yugoslavia's next nuclear power station.

"There are a number of countries which may look to nuclear power in the future," says Mr Raninen. "Our co-operation with the USSR has produced a nuclear power station of high reliability at moderate cost. Together we can do the same for others."

WORLD SHIPPING REPORT

Recession's oil carrier fleet figures tell a grim story

BY ANDREW FISHER, SHIPPING CORRESPONDENT

TANKERS, especially large ones, have long been among the least sought after vessels by shipowners. This report, after assessing the grey outlook for bulk carriers last week, concentrates on oil carriers.

As the record scrapping and lay-up figures make clear, the worldwide tanker surplus is acute. Sluggish demand for oil in recession has worsened the post-1973 oil crisis problems for tankers.

With newer sources of oil supply such as the North Sea and Alaska, the big tankers which ply the run from the Middle East to Europe, the U.S., and Japan have become increasingly redundant.

Last year, tanker chartering rates—apart from a brief upturn out of Iran's Kharg Island during hostilities with Iraq—hardly moved at all. For very large crude carriers (VLCC) from the Arabian Gulf, they remained stubbornly under Worldscale 25.

The fleet figures tell a grim story. Over 70m deadweight tons of tankers are now laid-up, idle in port, or simply being repaired. In 1982, nearly 60 VLCCs were scrapped.

Altogether, last year's tanker scrapping total, including smaller ships below 200,000 dwt, was around 25m dwt—the world tanker fleet, allowing for addition of new ships, dropped from 320m to 301m dwt.

So far, this year has seen no return of optimism, though a clear fall in oil prices would obviously boost demand and thus chartering rates. Last week, while awaiting stable prices, the market was confused and fixtures were few.

Nor has the market been helped by the mild winter of the U.S. and Western Europe. Instead of importing more oil, companies have been tending to use up stocks.

All this has hit ship values. Since the Taiwanese reactivated the China Dismantled Vessel Trading Corporation late last year, the country's numerous breaking yards have operated as one buyer and kept scrap prices low.

Last year's big loser, noted shipbrokers P. F. Bassoe of Oslo, was the ultra large crude carrier (ULCC) of 300,000 dwt and more; values slumped from $15m to under $5m. Just last week, two VLCCs, the 10-year old West German-owned Faust and Westfalen, were sold after lengthy lay-ups for a joint $4m to London-based Scandinavians.

Move to defuse row over new Airbus A320 programme

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

STRONG EFFORTS are being made in Western Europe to defuse the row that has erupted over the future programmes of Airbus Industrie, the European airliner manufacturing group, and especially over whether or not to launch the $2bn A-320 150-seater airliner programme.

An article on January 28 in the French newspaper, La Monde, based on a letter allegedly written to the French Government by General Jacques Mitterrand, president of Aerospatiale, the French partner in Airbus, attacked the UK and West Germany for lack of enthusiasm for new ventures.

Subsequently, General Mitterrand, who is the brother of the French President, is reported to have dissociated himself from the Press report, claiming he was misquoted.

M Bernard Lathiere, president of Airbus Industrie, is planning to hold a Press conference in Paris next Wednesday, at which it is expected he will clarify the group's views on present and future Airbus programmes.

In West Germany, a statement from Deutsche Airbus, the German partner in Airbus Industrie, stressed that "internal information in a letter to French Government officials has been over-dramatised and used out of context, and therefore has created a false impression."

In the UK, the Government and British Aerospace (which has a 20 per cent stake in Airbus Industrie) are maintaining a discreet silence on the entire affair.

Nevertheless, it is accepted in the UK that the situation, spelled out on several occasions in the past by Ministers and others, regarding to development of the A-320 or any other new Airbus programme, remains unchanged — Government finance can only come when orders have been won, and the projects concerned seem likely to earn profits.

This attitude is paralleled in West Germany. The Deutsche Airbus statement said West Germany would be willing to start the A-320 "only when the preliminaries have been fulfilled—first to have some launching orders from reputable airlines and second, assurance of a satisfactory economic outcome."

The view of many in both the UK and West German aerospace industries is that recent French pressures for an early commitment to launch the $2bn A-320 programme are unrealistic in the current economic climate.

While it is accepted that eventually there may well be a market for a new-technology A-320 150-seater airliner, at present there is no airline commitment to such a venture. Earlier ideas of developing the aircraft for a 1986 in-service date have slipped already to 1988, and now seem likely to slip further to 1990 or beyond.

This is especially so because of the recent successes of both Boeing and McDonnell Douglas in the U.S. in winning orders for their new 737-300 and DC-9-80/83 airliners, all of which are 150-seaters, and available either now or from 1984-85.

Those aircraft will be in airlines' fleets until the mid to late 1990s, cutting down substantially the level of orders likely for a more expensive and later A-320 aircraft.

For the UK, the problem is made more difficult because not only will the Department of Industry be asked to finance the British Aerospace share of airframe development for the A-320, amounting to perhaps as much as £250m-£300, but will also be expected to contribute comparable sums for the development of a new engine, the Rolls-Royce RJ-500.

Jonathan Sharpe in Bangkok adds: The French Government is applying renewed diplomatic pressure on Thailand to go through with an order for two Airbuses which the Thais are trying to cancel, say Thai officials.

The officials quoted a letter from M Michel Jobert the French Foreign Trade Minister, which linker the Airbus deal with a soft loan Thailand is seeking from the French to expand a Government sugar mill.

The French embassy in Bangkok had no comment on the claim by the Thai officials, who said that M Jobert's letter hinted strongly that a decision by Paris to grant the loan would be influenced by what the Thais decided over the tyre Airbuses.

Thai Airways International, which already operates 10 Airbus A-300s, originally ordered two more, but then opted instead for two Boeing 767s.

World Economic Indicators

INDUSTRIAL PRODUCTION INDICES
(1975 = 100)

					% Change on previous year
	Dec. '82	Nov. '82	Oct. '82	Dec. '81	
U.S.*	134.7	134.8	135.8	143.4	−6.1
	Oct. '82	Sept. '82	Aug. '82	Oct. '81	
UK	108.6	104.6	94.5	110.1	−1.4
W. Germany	115.3	112.8	95.0	120.5	−4.3
France	115.4	111.3	72.6	116.3	−0.8
Italy	122.9	128.0	59.6	130.1	−5.5
Netherlands	107.0	102.0	88.0	114.0	−6.1
Japan	146.6	150.3	148.5	151.0	−2.9
	Sept. '82	Aug. '82	July '82	Sept. '81	
Belgium	118.7	99.5	80.4	117.1	+1.4

* 1967 = 100

Source (except U.S. and Japan): Eurostat

Nigeria revises rules for imports

By Quentin Peel in Lagos

NIGERIA HAS published a revised list of all the goods now subject to import licences as part of the Government's drive to reduce its import bill, and help the balance of payments deficit.

The first licences have now been issued by the committee set up to monitor the system, and virtually all are restricted to raw materials for local industry, according to top officials.

The Nigerian Government is attempting to reduce its total foreign exchange outflow—including both visible trade and service payments—to only N600m (£594m) a month, just half the level of imports 12 months ago. As part of the effort, every category of goods subject to licence under the new rule has been assigned a specific amount of foreign exchange, officials say.

Although businessmen in Lagos welcome the Government's efforts to cut its imports bill to match its drastically reduced receipts, from oil, they are worried that spare parts and raw materials for local manufacturing industry will inevitably be cut back as well.

The new list includes only 231 categories instead of 253 in the original list published on January 1, although the principal changes have simply been to remove ambiguities and duplications.

One significant relaxation has been to exempt some forms of construction equipment — including cranes, dumpers, earthmoving machines, excavators, fork lifts, pumps and their parts—from the previous blanket requirements. However, all industrial machinery remains subject to licensing.

A further amendment has been to extend the deadline by which importers had to have open letters of credit, in order to escape the new requirement, from December 16-31. All other previous restrictions—such as that goods arriving by sea must reach Nigeria on or before March 30 remain.

Apart from bringing most goods under licence, the Government's latest efforts include sharp tariff increases for a wide range of goods, intended to protect local manufacturing industry.

However, businessmen in Lagos warn that uncertainties over the new measures—which they say still contain many ambiguities—are likely to cause a very sharp drop in imports in February, before the goods covered by new licences start to arrive. Some manufacturers are already laying off workers.

Some shortages are already occurring in the shops where household equipment like washing machines and spin dryers, and many other items, are already in short supply.

Nigeria's imports bill has dropped from N1.2bn a month in early 1982 to around N800m at the end of the year, but this was more as a result of growing delays in trade payments, than because of the first round of import restrictions introduced in April last year.

UK NEWS

Lloyd's chief sees new council as insurance for future

ASHLEY Ashwood

Sir Peter Green

SIR PETER GREEN, the 58-year old chairman of the troubled Lloyd's of London insurance market, gave his first major interview for some months last week.

He talked to John Moore about the appointment of Mr. Ian Hay Davison, Lloyd's first ever chief executive; the recent scandals which have shaken the 300 year-old institution to its foundations, issues which could affect the future operation of Lloyd's self regulatory mechanisms, and the attitude of the Americans towards Lloyd's problems.

Sir Peter was talking ahead of the third meeting of a new Lloyd's governing council today and before Mr Davison takes up his formal position as chief executive – and also becomes one of three deputy chairmen of the new council – on February 14.

It is only in the last month that new legislation, promoted by Lloyd's, has come into force. The new legislation, designed to overhaul Lloyd's outdated system of self-regulation, is Lloyd's first major reform for more than 100 years.

Lloyd's new Act of Parliament creates a new governing council, which is more representative of the membership – and more powerful – than the previous governing committee.

The council consists of 18 working members of Lloyd's drawn from the underwriters, insurance brokers, and underwriting agents, who form an executive committee answerable to the council.

The council is also formed of eight external members of Lloyd's, who pledge their private wealth to allow the Lloyd's market to function, but who do not work in the Lloyd's market.

The remainder of the 27-strong council is comprised of three independent members, chosen by the council, whose appointment is confirmed by the Governor of the Bank of England. The council has the power to create rules and regulations for Lloyd's in the form of bye-laws.

Q. Who will be the top person at Lloyd's, in official terms, now that Lloyd's has decided to create the post of chief executive and appoint Mr Davison to the job? Will it be you, or Mr Davison, who has the final say in day-to-day matters at Lloyd's?

A. The body that has the final say in day-to-day matters is obviously the council, because they are the governing body. But the chairman is still the chairman. There are two other deputy chairmen and Mr Davison is chief executive and will be a third deputy chairman.

Q. To the outside world it now looks as though the chairman of Lloyd's has been stripped of all power, other than the ability to perform ceremonial duties and to act as an ambassador for Lloyd's. How do you perceive your role now and that of the office of chairman?

A. Every chairman sees his job differently. I do not think, from the talks that I have had with Mr Davison, that he or I see the chairman being stripped of his powers, in the sense that you implied.

Q. The job of chief executive at Lloyd's has never existed before. The pace at which the appointment was made and the type of appointment which was made, suggests that the appointment was sprung on you, perhaps at the instigation of the Bank of England and the Department of Trade?

A. No. I would not agree with that statement. As long as I have been around Lloyd's, there have been discussions round the bars, in the underwriting room, and in the Captain's Room, as to whether Lloyd's would not be better off with a more permanent, salaried chairman, who does not have to leave office every two or three years.

Q. Why didn't Lloyd's ever act on the recommendations of Lord Cromer for a chief executive in 1969, after Lord Cromer studied Lloyd's affairs?

A. I do not know. I was not a member of the committee in those days.

Q. Both the Department of Trade and the Bank of England, as well as Parliament have been extremely concerned about the scandals at Lloyd's and have placed Lloyd's under intense pressure to see that these scandals are not repeated. How do you think that the authorities have behaved recently, regarding Lloyd's affairs?

A. They are obviously extremely concerned about what goes on, here at Lloyd's. Nobody likes wrongdoing anywhere. And it becomes particularly sensitive in somewhere like Lloyd's which has a big international standing and is a very large earner of foreign exchange for this country. They are obviously concerned that nothing must be done to undermine the confidence of the people internationally who send their business to Lloyd's to be insured.

Q. Arguably, if the scandals at Lloyd's had materialised earlier, you might not have got the new self-regulatory powers that you needed from Parliament?

A. Possibly. I find it slightly ironic that Lloyd's was castigated for not acting in certain areas of the Howden affair where we honestly believed that we had not got the powers. But later on, when we took action against Mr Ian Posgate (the former leading underwriter of the Alexander Howden Group who was suspended by Lloyd's) – when we really sincerely believed that we had got the powers to act – we were then told by the High Court that we had not got the powers.

I am not saying that if the troubles had happened in 1983, instead of 1982, or we had had new legislation in force at the end of 1981, that the new powers would have necessarily stopped all the things that happened. But certainly we could have moved very, very much faster.

Q. Last November, you said in an address to the Insurance Institute of London, that the essential safeguards will have to be that the conduct of Lloyd's affairs must not only be, but be seen to be, whiter than white. It is now very clear that the degree of possible abuse in the market is very extensive, indeed possibly touching the regulators at Lloyd's themselves. Is Lloyd's competent to regulate its own affairs?

A. Yes. I am quite certain we are. The calibre of the people on the council is very, very high indeed.

Q. But it may be that the core of the council, which is formed of the working members of Lloyd's, the brokers and the underwriters, may have conflicts of interest in their business relationships, which militate against the operation of a system of fair and efficient self-regulation.

A. Life is one long non-stop conflict of interest. There is not a single thing that one does where conflicts of interest do not arise. But we all live with them. Where there is a real conflict of interest at Lloyd's, it is the practice of the committee – and the same is true of the council –, that if it is something which is very close to an indiridual member of the governing body, he must declare it, if it forms part of the matters under discussion. He will leave the room while the matter is discussed.

Q. Supposing a fundamental issue arises, which goes right to the heart of Lloyd's and the way it trades. You once told the committee that it should not be thought that there is anything improper in Lloyd's underwriters' relationships with insurance companies, and reinsurance companies, providing that they were properly disclosed. To whom do you think that these relationships should be disclosed, and where do you think the quantum of benefit derived from these relationships should be disclosed?

A. I believe that the council will expect its members to make disclosures just as broad as the rest of the people involved in underwriting here.

Q. Are the regulators at Lloyd's competent to judge what is right or wrong in business relationships which they may be maintaining for commercial benefit and which they do not want disturbed? In your own particular case, you have a number o: linked insurance interests, including the Imperial Insurance Company in the Cayman Islands.

A. I think, and this is only my opinion, that the members of the council will have all their business interests disclosed, whether it is anything to do with insurance or anything else.

Q. But is the council going to come to the right decisions on policy with these sorts of commercial tensions?

A. You think that Lloyd's is a den of thieves of such blackness that we will never get ourselves clean? We really aren't like that you know.

Q. Has Lloyd's defined its area of jurisdiction? Lloyd's brokers processing insurance business which is not placed at Lloyd's has led to some embarrassment, recently. And initially you said that the Howden affair did not impinge on Lloyd's.

A. No, we have not defined our area of jurisdiction yet. We have not yet dealt with a task force report on the regulation of Lloyd's brokers. I think it is a matter which has got to be discussed and researched further.

Q. What safeguards can you offer the members of Lloyd's, if there are various backdoor methods available to those who work in the market for diverting money which properly belongs to the members of Lloyd's?

A. The people you have to ensure are not in a position to divert the money are the underwriting agents. They are fairly and squarely insade Lloyd's jurisdiction.

Q. Supposing the leading underwriter within that agency company describes the syphoning off of a sum of money from a syndicate of Lloyd's members as a "reinsurance contract," arranged with a reinsurance group, which is not part of the Lloyd's market, in which that underwriter has an interest. What can be done to ensure that you have jurisdiction?

A. The new procedures, particularly the new auditing procedures, will go a very long way to eliminate that sort of problem. The combination of new disclosure and audit requirements will, I think, resolve the problem. I do not think that anyone can take the view that it is possible to prevent one's fellow human beings from ever committing misdemeanours, crimes or whatever. You can't do it. You just have to make it as difficult as possible.

Q. In the United States is has been alleged that the Howden and Minet affairs are the tip of the iceberg, Lloyd's firms deal with questionable characters, and that little cooperation is given by Lloyd's to their authorities when international insurance troubles occur. What do you think of the Americans' response so far?

A. I get the impression that the customers of the American brokers are not in the least worried or concerned about Lloyd's.

I think that there are one or two of the professional reinsurers who never like to miss an opportunity to decry their competitors, in an effort to get more business.

Most of the business we have lost for the right reason – that we could not agree the terms on which it was offered to us.

Q. With hindsight, do you think you were wrong to close an investigation which you personally carried out into the reinsurance arrangements of Minet Holdings' PCW underwriting agency company, in the light of the scandal which followed late last year? It has been said that your investigation was coloured by your previous business association with Mr Peter Cameron-Webb, a former chairman of PCW and a former shareholder and partner in your own underwriting agency.

A. Do you think I was wrong when I closed it? No. But with hindsight now, one might have said something else. It was not a one man inquiry. Various other Corporation staff were involved. I carried out the inquiry because I knew the background, having dealt with an earlier dispute between a broker involved and a former member of the broker's staff.

That former employee later made allegations, and, as the other two deputy chairmen were busy, I carried out the investigation. I would have thought that it would have been a positive disadvantage for Mr Cameron-Webb to be investigated by me, as there was not much love lost between us. We are perfectly friendly, yes, but I had been upset when he left my firm a few months after my father died, to start his own business.

Q. It has been suggested that some in Lloyd's saw self-regulation as an excuse to do nothing, and maintain the status quo. Can you give assurances that major reforms are to be carried out?

A. I can assure you that there is a spirit and determination in this place today – throughout the whole of Lloyd's – to make ourselves the best run, most secure insurance market in the world.

CEGB delays nuclear reprocessing contract

FINANCIAL TIMES REPORTER

SOME HARD bargaining is taking place between the UK's Central Electricity Generating Board and British Nuclear Fuels over the contracts for the use of the Thorp reprocessing plant at Sellafield in Cumbria, which is likely to become operational in 1990.

This has emerged during the fourth week of the Sizewell B public inquiry, which has been concerned with the nuclear fuel cycle, waste transportation and the measures which would be taken to reduce risks of serious accidents at the proposed pressured water reactor power station.

The inquiry heard that the board has not yet signed a contract for use of the Thorp plant and that it is planning to build a store to enable irradiated fuel from its advanced gas-cooled reactors to be kept, if necessary, for several decades.

In fact, the CEGB is the only customer not to have signed a contract with BNF for use of the £1bn Thorp plant, although a letter of intent has been issued.

Contracts have been exchanged with customers in Japan, Germany, Switzerland, Sweden and Italy, who will use about two thirds of the plant's capacity.

In Britain, hard commercial bargaining is certainly taking place and the inquiry was told that the CEGB is still considering, whether it is getting a better or worse deal than overseas customers.

BNF says that details of contract agreements with overseas customers are confidential. But the CEGB has obtained details and is not willing to sign on the terms so far offered.

The Thorp plant will reprocess 6,000 tonnes of irradiated fuel during an assumed lifetime which has, surprisingly, been set at only 10 years. Previous experience suggests that such a plant will last at least 15 years.

BNF says that it confidently expects to be providing reprocessing facilities well into the next century, but no decision has yet been taken on the design, location or timing of the plant needed to succeed Thorp.

While BNF can afford to await the outcome of the Sizewell B inquiry, which will have great bearing on the future of nuclear power in Britain, before making decisions affecting the next century, the CEGB is faced with the prospect of a large amount of irradiated AGR fuel coming out of its nuclear plant up to the year 2010 and beyond.

Labour denies decision on N-weapons

Financial Times Reporter

THERE WERE strong denials yesterday of a report that Mr James Callaghan, the former Labour Prime Minister, and an inner group of ministers took a secret decision in 1978 that Nato would have to deploy medium-range nuclear strike weapons.

Mr Denis Healey, Labour's foreign affairs spokesman, said the report in the Sunday Times was not true. The report alleged that as Chancellor of the Exchequer at the time he had been consulted on the decision.

The report was also denied yesterday by Dr David Owen, who was Foreign Secretary and is now deputy leader of the Social Democrats.

Dr Owen said no decisions were taken although the options were raised in the Nato ministerial context and mostly at official, rather than political, level.

Poll will be hard to win, says Heath

By John Hunt

A WARNING that the Conservatives will face a difficult task in winning the general election and that high unemployment may be a central issue was given yesterday by Mr Edward Heath, the former Conservative Prime Minister.

He felt it was dangerous to take the view that the Social Democrats were "going down the plug hole" and would not be a force to be reckoned with.

Mr Heath was doubtful about the possibility of the Chancellor making large income tax reductions in the budget. He felt that it should concentrate on helping industry and boosting orders for capital equipment.

In a London radio interviewed, he indicated the need for some form of wages policy and said that as the economy picked up there had to be the "closest working relationship" between the Government, employers and the unions.

Once more he called for reflationary policies to get the economy moving and – in what will be interpreted as a dig at Mrs Thatcher – observed caustically that in some quarters "consensus" had become a dirty word.

Unions seek more details on unemployment forecast

BY BRIAN GROOM

THE Manpower Services Commission forecasts in a confidential draft of its four-year corporate plan that adult unemployment for Great Britain will stay between 2.9m and 3.3m throughout 1983.

Trade Union Congress (TUC) representatives on the commission have demanded a redraft of the report because they believe it does not say enough about the implications of the estimate or about long-term prospects for the labour market.

They argue that the assumption is gloomier than those contained in the Government's public expenditure White Paper, published last week, which expected adult unemployment to average 2.74m in 1982–83 and 3.02m in 1983–84.

If the adult jobless total reached a record 3.3m this year, it could mean, with school leavers added, a "headline" total of about 3.5m. Last month's unemployment total was 3.225m, and the seasonally adjusted figure, 2.98m.

TUC leaders have also demanded a fuller account of a forecast in the MSC plan that long-term unemployment, already around 1m, will increase and that married women and young adults are likely to suffer particularly badly.

● British Shipbuilders' plan to shed 1,837 jobs by April now seems set to be achieved largely by voluntary redundancy, according to some union officials. However, most mass meetings have voted to reject redundancies.

Meetings at Newcastle, at Govan on Clyde side, and Austin and Pickersgill and Sunderland Shipbuilders in Sunderland have voted to take any action their negotiators advise. A delegate conference on February 17 will decide the next step.

Lonrho chief may join textile battle

BY MARY ANN SIEGHART

MR Tiny Rowland, chairman of Lonrho, may join the battle between ailing textile giant, Carrington Viyella, and Mr Davoud Alliance's Vantona Group. With only two days to go before Vantona's bid deadline expires, Mr Joe Hyman, founder of Viyella, has announced a plan to merge Carrington Viyella with Lonrho's textile interests.

Vantona has received acceptances from just over 87 per cent of Carrington shareholders, but Mr Hyman, who is against the bid, owns 7 per cent of the remaining 13 per cent. Vantona has stated that it will not go unconditional on the offer unless it receives acceptances from 90 per cent of the shareholders by Wednesday's deadline.

The proposed deal with Lonrho is the latest plank in Mr Hyman's fight to stop the Vantona bid going through. Last week, he built up his stake in Carrington by buying another 900,000 shares.

Lonrho owns two textile companies: the Lancashire-based David Whitehead, which produces knitted cloth for the motor trade, and woven cloth in Malawi and Zimbabwe; and Lonrho Textiles, which makes cotton products and retails them through its own Brentford and Accord outlets.

Between them, they contributed £8.32m of pre-tax profits on sales of £83.06m in the year to September 30, 1981. Lonrho's textile interests were cited by the Monopolies Commission in December 1981 as a reason for rejecting the group's bid for the House of Fraser stores.

The idea of the new scheme is that Lonrho would end up holding under 30 per cent of the new group and ICI, which currently owns 49 per cent of CV, would have its stake diluted to under 25 per cent. Mr Hyman, as a major shareholder, would have a seat on the board.

Whitehall dispute may delay cable TV

By Peter Riddell, Political Editor

THE TIMING of the development of large-scale cable broadcasting in Britain has been made uncertain by a Whitehall disagreement about how franchises should be granted.

The dispute, between the Home Office and the Department of Industry, is one of the central issues still to be resolved ahead of the publication, probably just before Easter, of the Government White Paper on a detailed scheme for cable.

The outcome is critically important both for existing cable operators and for the many consortia with plans for new systems.

The dispute turns on whether franchises for new systems should be approved ahead of the enactment of legislation setting up a new cable authority, which would be responsible for franchising and programme supervision.

The earliest date for such a law would be summer 1984, so that a new authority would probably not be able to issue franchises until the end of that year, or early in 1985.

Consequently, services would not start until about a year later

Car sales rise 44% to set record for January

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEW CAR sales last month were the highest for any January and the industry is becoming increasingly convinced that 1983 registrations will climb to near-record levels.

Sales have shown a strong upward trend for the past six months, helped by the easing of hire purchase terms, lower interest rates and determined marketing by the manufacturers.

As a result, Ford, the market leader, has adjusted upward its forecast for 1983 industry car sales from 1.6m to 1.675m – not far from the record 1.71m reached in 1979. Registrations last year were 1.55m.

According to the Society of Motor Manufacturers and Traders, 165,436 new cars were registered last month, up 44.7 per cent from January 1982. But that was a month when bad weather kept buyers from the showrooms.

One element in last month's performance was the fact that both Ford and General Motors (Vauxhall-Opel) gave warnings of price increases during January and this certainly would have pulled forward some purchases.

And all the manufacturers had so-called "fast-start" incentive campaigns of one sort or another to encourage dealers to get off on the right foot in 1983.

However, BL made a disappointing start with a 17 per cent market share – a great improvement on the 14m per cent for January 1982 but well below the 20 per cent the group hopes to achieve for this year.

Ford made a flying start by winning a near-34 per cent market share although to do so it imported 51 per cent of the cars from its continental plants compared with 45 per cent in January last year.

Overall, the importers' market share was down, from 59.8 to 56.9 per cent in January. The Japanese car importers were extremely short of stock – new shipments do not arrive until the middle of this month – and their share fell from 9.2 to 6.8 per cent. This accounted for most of the overall drop in the imports.

General Motors continued to make market-share gains and reached 14.5 per cent in January compared with 13 per cent for the same month last year.

The battle between GM's Vauxhall Cavalier and the Ford Sierra took a new turn last month when Sierra registrations overtook those for Cavalier for the first time.

January's top ten: 1 Ford Escort, 21,471 were sold giving a 13 per cent market share and a record January volume and penetration for this model; 2 Austin Metro (13,455); 3 Ford Sierra (13,425); 4 Vauxhall Cavalier (13,392); 5 Ford Fiesta (11,320); 6 Vauxhall Astra (7,631); 7 Ford Cortina (4,862); 8 Triumph Acclaim (4,191); 9 Volkswagen Golf (3,943); 10 Volvo 300 series (3,516).

● Shop stewards from Ford, BL and Vauxhall, together with representatives from component companies like Lucas and Automotive Products, met in Coventry yesterday to co-ordinate a campaign against imported vehicles and parts.

They voted unanimously to give moral, financial and practical support to Vauxhall workers, who are planning a "total handling ban" on imports of General Motors' Spanish-built S-Car this spring.

● Ford and its manual workers' unions have reached a compromise to prevent the exhaustion of its lay-off pay fund, which has been depleted by short-time working at its component and engineering, truck and tractor factories.

Money not normally available until April will be borrowed forward, and those laid off will receive 66⅔ per cent of basic pay instead of the usual 80 per cent. The scheme will be reconsidered at the end of June.

Airline seeks Gibraltar route

BY RHYS DAVID

THE STRONG rivalry that exists in Gibraltar between the Rock's two biggest companies will this week spill over to London, where a reconvened Civil Aviation Authority hearing will be determining the pattern of future air links with the territory.

Gibraltar's oldest established company, the privately owned Bland Group, which has a 51 per cent stake in GB Airways, is opposing an application by the Intasun group company, Air Europe, to begin scheduled air services between London and Gibraltar.

Already appointed as general sales agents on the Rock for Air Europe is the Pegasus group, a relatively new company put together by a group of Gibraltar businessmen. It has grown rapidly over recent years, in the process encroaching on a number of travel and transport areas where Bland has been dominant.

Air Europe, which is anxious to develop as a scheduled carrier, is proposing to offer services three days a week from London, starting in April, and a Sunday service from Manchester, with a fare structure which, its claims, will undercut the existing GB Airways-British Airways joint operation.

This winter, GB Air is offering flights on three weekdays while its partner, British Airways, flies on the other two days and has plans for a daily service during the summer.

The Air Europe application has won support from the Gibraltar Tourist Office, from various business interests on the Rock, and from the territory's Government. The UK airline has been able to persuade them that it will be able to increase visitors to the Rock. Some of the seats on its services will be used to bring in holidaymakers on packages sold by its parent.

Partly for this reason, it has not won the support of one of the existing Gibraltar tour operators, Exchange Travel, which at present flies its passengers on Air Europe charters. Exchange is switching this summer to British Airtours, the British Airways subsidiary, as its carrier from Gatwick.

Pegasus also argues that Air Europe will be offering competition to what it claims is, in effect, a disguised monopoly on the route. The 49 per cent balance of shares in GB Airways, formerly Gibraltar Airways, is owned by its partner on the route, British Airways, and GB Airways leases British Airtours Boeing 737s for its flights.

The Bland groups' counter-argument is that a new service will lead to overcapacity on the route and undermine its viability and stability. Traffic on scheduled routes – which already face competition from charters – is down from 79,000 passengers in 1971, to not much more than 50,000 last year.

More than a dozen different rival services, mostly chartered, have been started over recent years, most of which have failed, Bland claimed.

Bland's chairman, Mr Joe Gaggero, also points to his group's record in keeping open a variety of services during the 13-year virtual siege of Gibraltar, in some cases at a loss.

The group operates a Viscount air link to Tangier, and its boat service to Tangier brings in much of the fresh food and other supplies which have had to come from Morocco since the border with Spain – now partially reopened – closed in 1969.

If Air Europe's application is successful, it will mean further growth for Pegasus, which was started after the border closure to organise the air freighting of goods from Europe.

NCB to start 'gas from rubbish' trial

By Nick Garnett

THE NATIONAL Coal Board (NCB) will shortly begin a full-scale extraction trial at a rubbish dump on Merseyside to see if it is feasible to supply methane from the tip to a private steel company near Birkenhead.

Preliminary trials showed very good yields. The company, Bidston Steel, which is owned by the Norwegian Elkem group, has already confirmed that the gas – with a 57 per cent methane content – is suitable for its operation.

The trials represent another stage in the move by some energy-intensive industries towards using cheap gas from local-authority-owned refuse dumps.

Blue Circle has begun commissioning piping plans connecting its cement-making operation with gas supplies from a rubbish dump at Cherry Hinton, Cambridge and is looking at a similar project at Plymstock, Plymouth.

Thames Board will also take gas supplies soon from a 20-acre landfill site, owned by the Greater London Council, for its Purfleet operation. This site at Aveley, has the potential to supply 5m therms a year for the first five years.

NCB (Coal Products Ltd), which is involved in these operations, is working on 10 landfill sites, although some of these will only involve the flaring off of gas to rid local authorities of a potential hazard.

Merseyside County Council first raised the possibility of supplying cheap gas to Bidston Steel from the Bidston Moss site around the end of last year. That might have been one of the factors taken into account by Elkem when it decided not to close Manchester Steel, of which Bidston Steel is a part. Instead the company agreed to a local management plan for cutting losses.

Bidston Steel, Merseyside County Council and NCB officials met at the weekend to discuss the feasibility trials. The county council has already agreed to pay up to £40,000 towards the trial costs.

B-Cal angry at offer

FINANCIAL TIMES REPORTER

SIR ADAM THOMSON, chairman of British Caledonian airline, said yesterday that he was astonished at the British Airways decision to fly 600 relatives of dead, Falklands servicemen to Montevideo, free of charge.

British Caledonian put in a bid for the 13-hour flight, but the Ministry of Defence chose BA when the free flight offer was made.

Two 747 Jumbo jets will be laid on by the state-owned airline for the 13 hour flight, to take the relatives en route to the Falklands. The cost has been estimated at £500,000 although BA refuse to confirm this.

British Caledonian, which is a private airline, is particularly upset as it lost about £6m last year as a result of the Falklands conflict, when it abandoned six routes to Argentina, Chile, Peru and Ecuador.

British Caledonian had put in a bid calculated on a marginal cost basis and had it got the contract, it would at least have made some contribution towards the losses incurred last year as a result of the Falklands war.

But Sir John King, chairman of BA, said yesterday that his airline had made an earlier offer to take relatives out free and the time had now come to fulfil that undertaking.

BUILDING AND CIVIL ENGINEERING

CONSTRUCTION BUDGETS

Analysts confused by projections

PUBLIC sector authorities may have underspent on their construction budgets by at least £800m to £900m in the current financial year, according to building analysts who have scrutinised last week's expenditure white paper.

The figures are in stark contrast to the Chancellor's budget projections last March that public spending on construction would rise by 14 per cent in 1982-83.

Underspending

In fact the underlying level of underspending might be even greater if the full extent of capital receipts that can be used for new investment in construction is taken into account.

Using the Treasury's own figures, public sector spending on construction is expected to have risen from £8.8bn to £9.4bn in the current financial year—an increase of 7 per cent.

After allowing for the effects of inflation, and even on the most favourable analysis, this would leave only a marginal increase in the "real" level of public sector construction expenditure in 1982-83.

White paper

It is against this background, and with their customary scepticism, that building analysts have been trying to make sense of a white paper which suggests that construction expenditure could rise by just under £1bn (or 10 per cent) in 1983-84.

Mr Nigel Chaldecott, director general of the National Council of Building Material Producers says: "Because underspending is inevitable I doubt that any real increase in public construction is possible unless these plans are changed.

"I urge the Chancellor in the Budget to make additional resources available to construction and to direct the cash to those areas such as trunk roads, water, the health service and housing associations where underspending is not significant, so that the Government can be fairly confident that the extra money will be spent on construction within the financial year."

The building materials producers say that the biggest areas for underspending were housing, local authority roads and the nationalised industries. Additional figures provided by the Environment Department suggest that underspending on housing by English local authorities could be as much as £637m (or 23 per cent) if receipts from council house and land sales are taken into account.

Difficulties

One of the principal difficulties in making sense of the expenditure figures is that the Treasury is not comparing like with like when it measures actual spending in one year with projected expenditure in the forthcoming year.

The Royal Institute of British Architects prefers to compare cash projections made 12 months ago for the present financial year with those now being made for the 1983/84 period. On this basis, the Institute says that a cash projection of £10.32bn for 1982/83 is only marginally below the £10.38bn projected for 1983/84.

"After allowing for the effect of inflation the published allocation for 1983/84 is probably about 4 per cent lower in real terms than the allocation for 1982/83," said a spokesman for the Institute.

ANDREW TAYLOR

McDevitt's model job

A £2bn project to build 21 new towns in Saudi Arabia not only brought a design sub-contract to Tibbalds Partnership, the London architects, it also resulted in a £250,000 model-making contract for Mr David McDevitt, until then a £7,500-a-year architectural assistant with the firm.

Mr McDevitt, pictured here with Owen Luder, president of the Royal Institute of British Architects, bid for the contract when he overheard the Saudi scheme's production project manager despair of getting models made in time to meet the building schedule.

Having won the job, he parted with his employer and set to work immediately on "an accelerated schedule." "What this actually meant," said Mr McDevitt, "was building and shipping models of the first seven towns in six weeks.'

To meet this and other deadlines he had to employ 17 craftsmen—"not all the time, or full time," he explained, "but the need was so pressing that I had to hand the work out to seven different workshops without even getting a price on it."

British contractors get no slice of this particular action. "It is a very big project," said Mr McDevitt, "but it is also labour intensive, with no high technology content."

He reckons that this one job put him in the number two spot among UK architectural model makers for some part of the 18-month contract, and now he is looking for more work. "I have had no promises of more work from the Middle East," he says, "but I am hopeful."

Meanwhile, Mr Luder said at a Design Council exhibition of architectural models that the government should be giving more help to British consultants working overseas on such matters as taxation, support costs and securing prompt payment from the countries concerned.

"This government has done well in helping to secure overseas projects, but this kind of work remains risky and sometimes costly for the architects concerned," he said.

"I sense that some overseas countries who have, in the past, succumbed to the lowest price and in some cases to dubious practices, are now realising how shortsighted that approach really is.

"However," said Mr Luder, "the fact remains that in a fiercely competitive climate the UK construction industry increased its overseas earnings by 11 per cent to a massive £3.5bn in the last financial year."

Nationwide's £30m housing plan

NATIONWIDE BUILDING Society has earmarked £30m for investment in direct building in 1983 through a limited company it has set up, the Nationwide Housing Trust. It may add some 1500 new homes to Britain's housing stock this year.

The trust operates by borrowing money from the society as mortgage advances which are repaid when sales are completed. The money is invested in a variety of schemes, almost invariably on land owned by local authorities.

In one case the trust is employing architects and contractors, in another the houses are built by a local housebuilder providing a package deal but actually working for the trust as an contractor without putting up any capital.

At Nantwich in Cheshire the Labour-controlled council would not have sold land to private speculative builders although it lacks the funds to develop itself. But it was happy to sell it to the NHT, which will put up some 50 houses and flats for the elderly. Clauses in the leases will ensure that on-sales are also to the elderly.

A scheme is already underway at Thamesdown, using local builders Rendell, and the NHT is negotiating in Liverpool, Wolverhampton, Milton Keynes, London, Bristol and north of the border in the hope of taking up the full £30m as soon as possible.

At a time when building societies are thinking hard about their future activities, Nationwide is taking a confident step along the trail blazed in July 1980 by Clive Thornton of the Abbey National when he set up the Abbey Housing Association as a limited company. Since then Abbey has completed 104 houses, has 400 more under construction and claims 800 are at "advanced planning stage." If all goes well, the end of 1983 should see over 2,000 housing starts, which would not have happened without the societies' initiatives.

According to NHT chairman Sir Herbert Ashworth, direct building rather than competition with the banks is the logical extension of activities for which they should be looking.

Howe asked to cut house-buying costs

ASSISTANCE for house buyers forms an essential element in pre-budget representations made to Chancellor Sir Geoffrey Howe by two of the construction industry's representative bodies.

Stamp duty should be abolished for first time housebuyers, according to the Royal Institute of British Architects, which notes that the threshold for liability had fallen from the equivalent of £38,500 in 1974 to £25,000 today.

The National House-Building Council, however, wants the threshold raised, suggesting that it should be higher in London and indexed in line with inflation. The NHBC also said that the £25,000 limit for tax relief on mortgages should be increased.

The stamp duty plea is part of an all-round package which would, says RIBA president Owen Luder, "help small scale enterprises, assist first-time house buyers, encourage firms to employ more people and more new technology. It will," he adds, "stimulate the vast amount of repair work which, as government surveys keep on revealing, is urgent."

For small firms, the RIBA asks for: a much higher threshold (£25,000) for VAT registration; a new band of corporation tax, 20 per cent on profits below £50,000 to help small companies and an extension of the 100 per cent industrial building allowances, on factory "nursery units," now limited to workshops of up to 1,250 sq ft.

In the private industrial building sector, RIBA would like to see 100 per cent allowances all round, and at the very least for conversion and improvement work. It also asks that the permissible office content for tax purposes be raised from 10 to 20 per cent "immediately," and that the situation be kept under review.

On the repair, maintenance and energy conservation front, the RIBA also proposes that building repair and maintenance work by registered traders should be zero-rated for VAT purposes and that there should be a concerted effort to amend EEC regulations, which would otherwise get in the awy.

Energy conservation work, it suggests, should get similar treatment. Other requests include grants for purchases of micro-computer technology, which RIBA implies could be more broadly used among architects, and allowances for abortive expenditure by property developers on architects' fees.

WILLIAM COCHRANE

OVERSEAS CONTRACTS

£48m hospital in Oman

LAING OMAN LLC, a subsidiary of John Laing International has, in association with Turner Wright and Partners (Oman) and architects Percy Thomas Partnership, been awarded a £43m contract by the Oman Ministry of Defence for the turnkey construction of a 154-bed military hospital in the Seeb-Al Khoud area of Oman.

When completed in mid-1985, the hospital will provide facilities for serving officers and their families and will include provision for possible future extensions to the building.

Gross area of the hospital and its ancillary buildings is 18,300 sq metres, located on a 230,000 sq metres site next to the Muscat/Nizwa highway, about 40 km from Muscat. Construction of the two-storey main building will be of reinforced concrete frame with cladding of rendered concrete blockwork and sealed glazing units, with hospital streets clad in GRP panels.

Turner Wright and Partners (Oman) have been apopinted as overall designers for the project, with hospital planning and architectural work being undertaken by Percy Thomas Partnership. Building services detailed design for the hospital is being prepared by John Laing Design Associates.

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AYALA of Needham Market, Suffolk, won a £3m contract to fit out the throne room and banqueting hall of a palace being built for the Sultan of Brunei in south-east Asia.

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PORTAKABIN'S Yorkon building division has won an order worth £2.4m to supply living quarters for a permanent RAF camp on Ascension Island, staging post for the Falklands. The Yorkon buildings—based on a steel frame system for permanent construction, not conventional Portakabin buildings—will be despatched from the UK as fully-finished modules, reducing site work to a minimum. Shipment will begin in February and will be completed by June. In all it will provide over 8,000 sq metres of accommodation.

Tunnelling in Greece

ZOKOR INTERNATIONAL (UK) has just completed building a 12-ton swing-type excavator tunnelling machine. It will be used to construct the central section of a new spine sewer in Salonika, Greece.

The city lies round the shores of a bay into which many sewers currently discharge. The spine sewer will run parallel to the shore, intercepting these foul flows and taking them to a new treatment works east of the city.

The central section of the sewer tunnel has an internal diameter of 2.44 metres, and will be lined with bolted precast concrete segmental rings, each one metre wide. The ring moulds are being supplied by Buchan Concrete, Coleshill.

Built in Stafford, the tunnelling machine, which costs £300,000, has a hooded shield with tail. The 900 tons forward thrust is provided by nine rams individually controlled to permit accurate steering by the operator, who also drives the excavator suspended from the roof of the shield.

The four-toothed bucket has a break-out force of 12 tons to cope with the strong clays and weak rocks expected on this contract.

The excavator has a telescopic boom which reaches beyond the cutting edge of the shield, and retracts to load the 600 mm wide belt conveyor that carries the excavated material to muck cars on the central track beneath. The rail-mounted conveyor support gantries also carry the 160 hp power pack, and control gear.

Lining segments are taken to the face on flat cars, unloaded by twin electric hoists running on trolley beams beneath the conveyor right into the shield tail. Here they are placed in position with an hydraulic erector system.

Designed by the Greek Ministry of Public Works, the engineers for the sewer project were Comis, Sotiriou, Watson, an affiliate of Watson Hawksley, High Wycombe. Main contractors, and operators of the Zokor excavator, are J. V. Edok S.A.-Eter S.A.

TECHNOLOGY

EDITED BY ALAN CANE

HARWELL SCALES-UP ENRICHMENT EXPERIMENTS

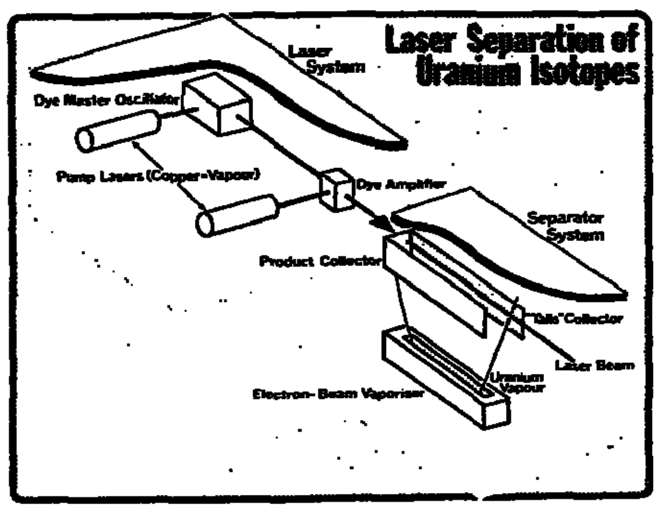
Laser role in fissile materials

BY DAVID FISHLOCK, SCIENCE EDITOR

HARWELL IS scaling up its experiments with lasers for the enrichment of fissile materials. A new Oxford research company, *Oxford Lasers, has* supplied a pair of novel lasers costing more than £50,000, of a kind developed in the Clarendon Laboratory at Oxford.

The experiments are being conducted in some secrecy. But it is understood that the Atomic Energy Research Establishment is planning to use its new lasers *for experiments on enriching* uranium as part of its research programme to underpin the activities of the British nuclear industry.

Although British Nuclear Fuels is a partner with West Germany and the Netherlands in Urenco, which is developing and exploiting commercially the gas centrifuge method of enriching uranium, U.S. experiments suggest that the laser process may have a commercial role in the 1990s.



Method

The U.S. experiments indicate that laser enrichment of uranium may eventually prove much cheaper *than the gas* centrifuge method. This method is itself displacing the 40-year-old gas diffusion process. The experiments also indicate that *it may be possible to enrich* other isotopes economically, including plutonium—a much more toxic substance than uranium.

Harwell acknowledges only that it is "studying the interaction of laser radiation with various atoms and molecules." The Culham Laboratory of the *UK Atomic Energy Authority* is also involved in what the authority describes as a "modest" research programme. But it is understood that *present experiments are* mainly concerned with the commercial potential of enriching uranium to levels suitable for nuclear fuel.

Plutonium enrichment would require a very elaborate containment to prevent the escape of plutonium vapour. Harwell experiments back in the 1950s *with electromagnetic separation* of isotopes of plutonium taught the laboratory just how troublesome it can be.

According to U.S. Government reports, the most efficient approach to laser enrichment is to separate atoms of the pure metal rather than molecules of such compounds as uranium hexafluoride, the feedstock of commercial enrichment factories today.

This means boiling the metal. Uranium boils at an exceptionally high temperature, exceeding 3,800 degrees C at ordinary pressure. Electron beams are needed to vaporise continuously the metal and produce a *feed*stock that can be continuously fed into the laser beam, as the diagram shows.

The principle used to distinguish the chemically identical isotopes uranium-235 and uranium-238 is to excite one of them preferentially by photoionisation. The essence is to find a laser that performs efficiently at a wavelength that will excite only the rare uranium-235 atoms, present in natural uranium at only 0.7 per cent.

The lasers Harwell will be using in its scaled-up experiments have been supplied as a result of close collaboration with the Clarendon Laboratory, one of Britain's leading laser development centres. The Clarendon has about 100 research scientists, almost all involved in some way with lasers.

Oxford Lasers was set up last year by a senior Clarendon scientist, Dr Colin Webb, to manufacture and market research instruments based on his own group's research.

These are copper-vapour lasers, costing £25,500 apiece. They generate a brilliant green light from a ceramic tube filled with copper vapour, with an unusually high efficiency of over one per cent. This is the most efficient conversion system yet for visible laser light, Dr Webb claims. Moreover, the combination of a high peak power of 150 kilowatts and a pulse repetition rate of 5,000 per second makes it the most effective system available for pumping dye lasers.

The red dye lasers fine-tune the system to precisely the wavelength required for the greatest excitation of atoms. Once highly excited—ionised—the positively charged uranium-235 atoms can be pulled out of the stream of uranium vapour by a simple electromagnetic arrangement. The key to process efficiency, however, lies in the power and efficiency of the pump lasers.

Apart from Oxford Lasers, the only other commercial source of the copper-vapour laser is a U.S. company, Plasma Kinetics, an offshoot of the U.S. Government's *Lawrence-Livermore* nuclear weapons laboratory in California, where the enrichment technology is also being developed.

But this company is marketing only 10-watt lasers outside the U.S., compared with the 25 watts of mean power available from Oxford Lasers. The reason is probably U.S. Government restrictions on exports of this nuclear-related apparatus.

Possibilities

Dr Webb, at the Clarendon, has just received a £180,000 grant from the Wolfson Foundation to develop a copper-vapour laser having four times as much mean power—100 watts—over the next three years.

He is also studying other uses of these powerful instruments, such as methods of coupling the light into optical fibres for use in surgery. Dr *Webb also foresees exciting pos*sibilities for high-power green lasers in "optical radars" for ocean surveys.

The Harwell experiments are being set up in the material physics division, headed by Dr Vic Crocker, in an open area of the establishment. But they are under conditions which restrict *access to the laboratory on the* "need to know" basis. This is both because of the commercial potential foreseen for the technology, and because it could be used *to enrich fissile materials* to the levels needed for nuclear explosives.

The U.S. Government, for example, has contemplated the *idea of refining plutonium* obtained from spent nuclear fuel, to make nuclear weapons, by using laser enrichment to separate plutonium-239 from *higher isotopes of plutonium* which "poison" the nuclear reaction.

Allocation

Commercially, however, a major attraction may prove to be the very clean separation of isotopes, which enables nuclear fuel companies to separate the fissile uranium-235 isotope economically from the "tailings" from present-day *enrichment operations.*

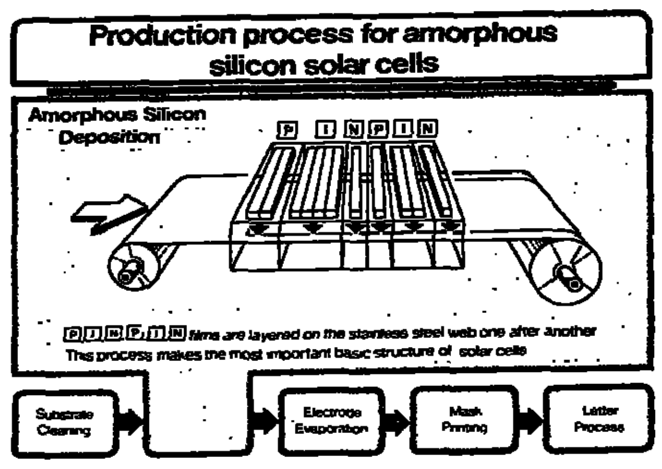
U.S. experiments with the enrichment of uranium vapour by lasers have already reached the stage where a development module is being built at Oak Ridge, close by the world's first big enrichment factory. This is in effect a segment of a full-scale production plant, big enough not only to demonstrate the technology fully but to work out the production method and train operators.

Nearly $2m have been allocated for this development this year. The present schedule calls for completion of the development module of AVLIS —atomic vapour laser isotope separation—by 1987.

JAPANESE PRODUCTION PLANT

Solar cells on a continuous roll

BY ELAINE WILLIAMS



THE FIRST plant to mass produce silicon amorphous solar *cells started operation last week* at Shinjo in Japan. It is run by Sharp-ECD Solar, a company jointly owned by Sharp, the Japanese calculator manufacturer and a private U.S. company, Energy Conversion Devices.

The plant is based on a single automated machine which pro*duces solar cells on a continuous* roll. Its annual output of silicon cells is equivalent to a power generating capacity of 3MW. These cells are used to convert *the energy in sunlight into elec*tricity.

Sharp hopes to be marketing its first solar powered calculators based on the new cells by April.

The aim is to produce very cheap solar cells for electricity generation using amorphous silicon, ECD, which developed *the machine, has concentrated* on amorphous silicon as opposed to the more commonly used photovoltaic material, chrystalline silicon, because of its poten*tial for mas production at a low* cost.

Amorphous silicon can be laid down in large areas of thin film in a continuous process while *crystalline cells have to be sawn* by hand from a silicon ingot. At present such cells are more energy efficient than amorphous ones in turning sunlight into electricity but are more expensive. Workers throughout the world have been trying to develop cheaper ways of producing all forms of photovoltaic solar cells.

Work on achieving this, however, has not been without its problems. It has taken ECD nearly 20 years to reach this production stage. ECD is headed by Mr Stanford Ovshinsky, a well-known but rather controversial figure in the solar power field. The company has lost more than US$30m in that time and has *not shown a profit since 1964.*

However many large financial and commercial companies have provided funds for the development. They include names *such as* Atlantic Richfield and Standard Oil (Sohio). In 1981 Sohio set up a joint venture with ECD for the Commercialisation of the cells. The deal was worth an estimated US$80m.

ECD's solar cells are deposited in a thin film on a stainless steel backing. The company says that the production machine can make solar cells for half the price of the average US$10 per peak watt retail price of crystalline solar cells.

The machine turns out cells on sheets a foot wide at the rate of one foot per minute. Within about five years the company hopes that a larger *machine will be able to make* cells in a 4 ft-wide roll at 10 ft per minute. Cells from such a machine would be one-tenth the cost of today's commercial crystalline cells and would make them very competitive against other forms of electricity generation for home and commercial applications.

Controllers

New for industrial presses

A NEW microprocessor-based dual axis back gauge controller for brakes and shears on industrial presses is now available from L.C. Automation.

The new low-cost controller, the Autoform 102, controls the position of the back gauge on the Y-axis and the penetration of the closing tool into the fixed axis. *It can be pro*grammed with combinations of lengths, depths, delays, repeat and retract functions, allowing a number of complex *profiles to be positioned* automatically.

The Autoform 102 can be fitted to any type of press brake and allows the operator *to make material thickness* corrections. In operation, length and depth dimensions are simply punched into the keyboard. L.C. Automation is at Unit 429/430, Walton Summit, Bamber Bridge, Preston, Lancs (tel: 0772 34951).

Labelling

Forgery proof

A LABELLING system using liquid crystal technology to protect custmers and manufacturers of branded goods against forgery, is available from Hazard Control. Identifix 2000 consists of liquid crystal labels which change colour and can be attached to theatre tickets, garments or security passes to show that they are genuine. Use of the labels is strictly controlled. Details: Hazard Control, 7a High Street, Barnet, Herts. Tel: 01 449 2152.

Software

Financial forecasts

A SERIES of software application packages that automatically create marketing-oriented spread sheets to match specific financial forecasting requirements, has been introduced by Vector Graphic.

In a typical application the new packages, called Forecasting ExecuModeller, can create a series of models to forecast sales of specific products, product lines, or services.

The software manipulates sales figures, expenses, cash flow and other financial data to generate projections and answers to questions, consolidate the information and print out final reports. It is designed for use with the company's Execuplan II software and costs £195. More from Vector Graphic at Vector House, William Street, Windsor, Berks (tel: 95 69375).

Fibre optics

Inspection kits

THE Lockheed - California aircraft company has supplied fibre optic inspection kits so that maintenance crews can check inaccessible parts of Lockheed-built P-3 Orion submarine hunters.

The equipment replaces the torches and mirrors that technicians had to use before to check elevator controls and hidden parts of the fuselage. A borescope is put into access holes to transmit an image to a viewer. A special adaptor enables a second person, such as a trainee, to see the same image. More from: Bill Goodliffe, MPPR, York House, Chertsey Street, Guildford, Surrey (0483 577341).

Imaging

Laser plotting

CALMA has developed a laser plotting system for computer designed printed circuit boards. It says that the production of the pc board images can be speeded by as much as 100 times.

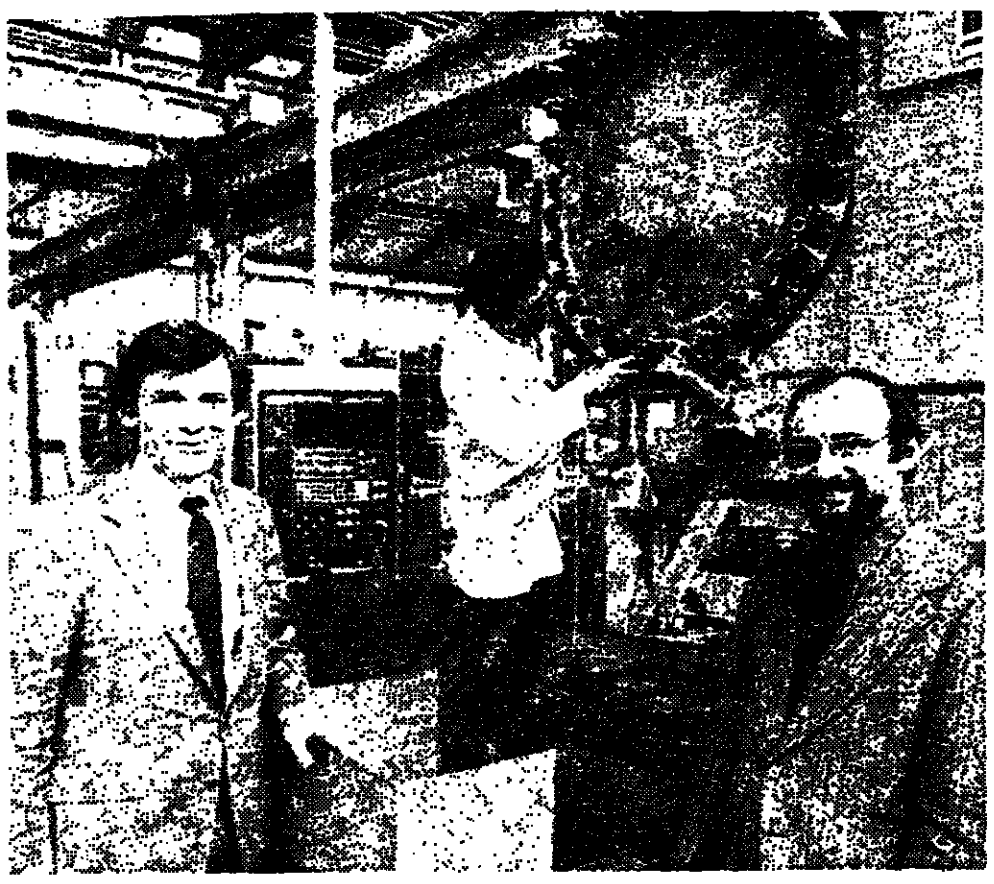
The company's new product generates images at a typical rate of four minutes per plot. It accepts pre-sensitised media as large as 56cm x 71cm for photoplots. For more details ring Calma on 0276 682021.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Wadkin took a major risk in overhauling its product range. **Ian Rodger** reports

A revolution paves the way to evolution



Trever Humphries

The range may be small—Wadkin's V5 10 (background) is one of only two models—but at least the customer may have any colour requested. Michael Goddard (left) and Rod Charles *redesigned assembly processes to reduce production costs by 27 per cent*

BRITISH machine tool manufacturers are reacting with varying degrees of speed and success to the onslaught of high quality, low cost Japanese machining centres and CNC lathes in the past few years.

So far, there is *little evidence* of progress, as Japan's share of the UK market in these products continues to rise through the 60 per cent mark.

One UK company that believes it is now poised to succeed in head-on competition with the Japanese is Wadkin, a Leicester-based producer of machining centres and woodworking machinery.

But it has taken nothing short of a revolution within the company. Management has been changed and the product line has been cut to the bone. Even *more daring, the products have* been totally redesigned and the methods of manufacture completely overhauled.

Assembly and commissioning time, for example, has been cut from 20 to four weeks.

"Having got back from intolerable foreign exchange and cost disadvantages, I think we are now in a strong competitive position," Michael Goddard, chairman since early 1980, says.

Goddard had no sooner committed Wadkin to a £2m capital spending programme in *1980 than markets began to turn* sour and a number of exceptional problems arose. Losses last year rose to £1.4m and net borrowings nearly doubled to £3.6m while shareholders' funds contracted to £9.2m.

"I've used up a third of my balance sheet on this," he says *grimly.*

He has also used up considerable good will with investors. The company's shares have tumbled from 165p in 1979 to a low of 35p last year. They have since recovered to over 60p.

Wadkin lost another £650,000 in the first half of 1982 but has finally begun to recover in the second half. "I never dreamt it would be such a rough ride. Had we known, I don't know if we would have gone through with it."

Wadkin's first task was to decide in which area it could reasonably hope to remain competitive in the machine tool industry.

"We took the view that if we were going to survive, we had to look at the kind of company we would need to be rather than working generally on improvements," Goddard says.

The requirement was for a company with a very limited *range of sophisticated products* on which reasonable margins could be made.

So, out went the rotary and universal milling machines, a radial router and a horizontal machining centre. Out also went the policy of being flexible and responsive to customer demands for special alterations to *machines.*

"We were wasting a lot of energy engineering special com*ponents to customer requests* while the Japanese were getting in with standard machines at *much lower prices.* While the customer was buying one machine to his specification from us, he was buying six standard ones from the Japanese," Goddard says.

"If there is one thing our market research told us, it is that today price is the most important consideration in a *machine tool purchase,* far more important than all the special things a customer says he wants.

"*It is very hard to tell a big* company, such as British Areospace, that it can't have this or that extra, but we are learning."

So today there is only one basic vertical machining centre from Wadkin, in two models, *with only one make of control*ler on them; the customer can have them in any colour he wants.

The next challenges were to get the cost of manufacture down to Japanese levels and the machines' reliability up to international standards. *Price had* to be in the range of £70,000 compared with £84,000 that *Wadkin had been asking for its* previous model.

Rob Charles, production manager, explained that considerable savings were achieved through redesigning a number of components and using new variable speed electric motors rather than gear systems. But the company's main innovation *was in the assembly process,* enabling it to slash assembly time and so make significant savings in working capital needs.

The conventional method of assembling a machining centre is to add bits gradually to the frame until the covers are put on and then to test and debug it. The problem with this method is that each time a defect is found, it is necessary to dismantle the machine to some extent. Wadkin frequently took up to four weeks to debug a machine.

Charles' idea for cutting *down assembly* time was to build up the machine in discreet units or modules and debug each one before final assembly.

This sounds easier to do than it actually was. In order to debug, say, the tool changing unit thoroughly, all the mechanics and electronics related to *it had to be relocated into one* unit. Then it could be attached to a simulator which would behave like the rest of the machining centre and so provide a valid test.

Similarly, the control system, the drilling head and the table system all had to be redesigned into units and simulators developed for their testing.

"Competitors come in here and want to do the same thing, *but they can't do it on existing* products," Charles says. "You have to design and develop new products with this in mind, and that is very expensive."

It has paid off for Wadkin, though. Assembly now takes less than four weeks and the *final commissioning* takes *only* two days. Goddard claims the result is also a much more reliable machine than its predecessors.

More important, the company has got the price down to £69,500—and that for a machine that has higher performance than the one it charged £84,000 *for three years ago.* *The total* reduction in production cost is said to be 27 per cent.

*At the current depressed pro*duction rate of three per month, the company can break even, and so it is fairly optimistic about the future.

"We think we can take on the Japanese," Goddard says. "The exchange rate is better and we don't have to pay high shipping charges from Japan or pay high *sales* commissions."

Grappling with an Apple

"*HIT the slash key! No, the slash!*"

A fluttering of eyebrows: up in surprise and puzzled consternation, then down in disapproving comprehension.

"Enter the command mode . . . for multiply, hit the asterisk . . . if you're entering a formula, use the plus sign . . . and don't forget to watch the status area!"

So the jargon gushes on from our ice-cool executive training person (she'd do well as a sergeant-major). After 15 minutes, we're still just about *keeping up with why* we're doing what. Another quarter of an hour, and we've lapsed into obedient, uncomprehending automatons, punching the keys the instant we're told to, and totally lost as to why it should be this one rather than that. (Not everyone manages to aim straight, anyway.)

The most awful realisation, as we sit in serried ranks of decidedly middle-aged chairmen and chief executives having our first bash at working a personal computer, is not that we don't know what we're doing, or why we're doing it, but that these ghastly buzzwords are no longer going to be just the preserve of lunar module directors and other techno-boffins.

As the computer fashion swamps our homes and offices, they will worm their way into our everyday language, leaving us with no option other than to give in—and call an oblique stroke a slash—or become latter-day Pompidous defending our culture against alien invasion. Hang it all, even when the Apple tries to talk to us in more recognisable language, *it uses the appalling grammar* of American slang.

Judging by the extraordinary *ability of Apple's personal* computer demonstrations to drag top executives off the tempting ski-slopes at the European Management Forum's annual Davos Symposium last week, there seems a very good chance that by the end of the *decade,* as the company forecasts (at least for the U.S.), almost every company, plus 40 per cent of homes, will be using personal computers. Time after time, the demonstrations were oversubscribed, managers *falling* over each other to be indoctrinated. Over a third of the 500 executives at the symposium attended at least once, as did nearly two-thirds of their spouses who were there.

Some of the women were virulent in their condemnation of computers as destroyers of jobs and *skills.* But the reaction of the executives (almost none of whom was female) ranged from boyish enthusiasm to displays of strained resignation, as if they knew there was no way to hold back the inevitable.

It was particularly such laggards who had trouble even inserting a floppy disk the right way round, let alone keying the "cursor" into the right place (this is the little rectangular light which indicates where you want the *keystrokes to fall*).

For unfortunates like these, Apple's much-hyped new "Lisa" computer, and the soon-to-be expected equivalents from IBM and the rest, could prove an *enormous* boon — *provided* people can first adjust to its own characteristic oddities. Lisa's so-called "mouse," an *electronic pointer* that you can easily push into the right place on a graphic representation of a desk, with all the files clearly named, should remove one of the main barriers to making personal computers accessible to *even the most kack-handed:* the total reliance on keyboard and coding skills.

Though the Apple person was exaggerating when she claimed that "the most important thing in operating a traditional machine *is not computer* science, but typing," the Davos demonstrations proved beyond doubt that non-typists certainly have a tough time getting much joy out of today's wonder machines. Without that ability, *you're particularly likely to give* up in frustration once you discover that the same keys do not always do the same thing: it all depends which program you've loaded into the computer. The key that moves the cursor around when you're using one program will wipe your work off the screen with another, for example.

This is not the only reason why using today's generation of computers is downright confusing: difficult things are as easy as pie (though not necessarily apple pie), but many things that ought to be easy are actually damned complicated.

It's all very inconsistent. As the man next to me said when the training person told *him* that the way to print out an "S" was to hit the "S" key: "*Oh come on, it can't be* as simple as that!" On the other hand, unlike your correspondent, he got the "slash" right first time.

Christopher Lorenz

Management abstracts

Computerisation is still a calculated risk. P. Isaac in The Accountants' Journal (New Zealand), June '82.

After repeating the warning that first-time computer users may wish they weren't, offers checklists for assessing hidden costs, quality of supplier support and software, and operating characteristics.

Children and television commercials. N. Stephens and M. A. Stutts in Journal of Advertising (U.S.), Vol 11 No 2.

Puts forward evidence indicating that pre-school children tend not to understand the difference between television programmes and commercials: expands this by considering (1) children of different ages (2) different types of commercial and glances at implications.

Is your company cashing in internationally? G. Bond and other in Accountancy (UK), Sept '82.

Reviews the development of international cash management, and discusses the role of a corporate treasury, its objectives, and relations with banks; an appendix lists cash management services available from UK banks and U.S. banks operating in Britain.

Audio-visual for marketing. T. Mason and other in Campaign (UK), 10 Sept '82.

Suggests that some marketers, particularly advertisers, are misusing audiovisual aids; notes that the dictum "garbage - in garbage - out" applies to computer graphics, and warns that AV offers opportunities galore for over-creativity at the expense of advertising messages; finishes with a discussion of the use of AV in the production of commercials.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley HA9 8DJ.

THE ARTS

Orchestre de Paris/Festival Hall

Dominic Gill

When I heard the Orchestre de Paris under Daniel Barenboim at the Barbican last year, I called their performances "unspecial." And it was precisely the same lack of any kind of special or memorable quality which characterised their playing of Brahms's first and second symphonies on Friday evening. Nothing in their interpretations was positively incoherent; but nothing either was especially vigorous or alert. Everywhere there was a lack of crisp definition: instrumental colours and combinations were dull; rhythms were fourssquare, without zest or spring. Small encouragement to complete the series by listening to their third and fourth Brahms symphonies the following night.

Barenboim has worked hard, and to some extent successfully, to improve the corporate sense of the Orchestre de Paris since he became its Artistic Director eight years ago. But evidently it needs another conductor than he to inspire and transform what have been, for as long as I can remember, its fundamental weaknesses — wooden rhythms and dull sound. In the first symphony there was no trace of that biting relish of dramatic detail which marks the most exciting Brahms performances; only a smooth and orderly progression —Brahms heard through a closed door—without a snap of dramatic tension.

The *andante sostenuto* slow movement—the only movement of the symphony which, in all its marvellous lyrical simplicity, could almost play itself without a conductor—was perversely larded with expressive nuance. More perversely still, the two or three key gestures in it which do call for careful expressive shaping were passed over without acknowledgement. The orchestra's account of the second symphony under Barenboim had in it the seeds of a sensitive reading: but only the seeds—as yet without either root or branch, strangely directionless. Too often it degenterated into undifferentiated stirring—which suits no music, and especially not Brahms, and most patently of all not his D major symphony.

David Copperfield/Northampton

B. A. Young

I'm ashamed to say that I've never been to the Royal Theatre, Northampton, before. It is a beautiful little Victorian baroque house, built in 1884 by C. J. Phipps, one of last century's great theatre architects —"a man," Sachs wrote in *Modern Opera Houses and Theatres*, "who had excelled in his speciality to an extent that can scarcely be appreciated by an outsider." In London, Phipps built the Haymarket and Her Majesty's, among others; the beautiful Theatre Royal, Nottingham, is his, and the Lyceum in Edinburgh.

The Northampton house, entered by a deceptively modest frontage, seats about 650 (though in earlier days it's said to have held 2,000!) It has a perfect acoustic and predominantly good sight-lines. To celebrate its centenary next year, it will have a £400,000 facelift, most of which money has already been found. A rep company has played there since 1927.

Last Thursday it opened in an adaptation by Ian Mullins of *David Copperfield*, its 35 parts played by 20 actors, plus some borrowed local children that are a credit to the local educational authorities. The story is told almost entirely in Dickens's own words, and it sticks firmly to the book, even if it leaves out one or two peripheral incidents. We have a straightforward account of David's life from his birth onwards, through his schooldays, his friendship with the Peggottys, working at Wickfield's, his various romances, with little Emily (a charming performance by Lindsey Stagg), idiotic Dora Spenlow, ultimately Agnes Wickfield. Kim Wall, an admirable David, provides a commentary downstage when necessary. In his boyhood, David is prettily played by Gian Sammarco; after puberty, Mr Wall cleverly expresses his increasing age without much changing his boyish looks.

On either side, we follow the fortunes of the Peggottys, with Emily's elopement with Steerforth, and the Wickfields, scandalously swindled by Uriah Heap. How the audience loved the familiar Dickens tags!—"a verv umble man," "Barkis is willing." Micawber's basic economy—and how well it is all worked in. Of the big cast, I found special pleasure in Vilma Hollingbery's Betsy Trotwood, Fred Bryant's authentic Micawber, Paul Beech and Mel Jones as Mr Peggotty and Ham, Glynn Sweet as ginger-haired Heap, Valerie Whittington as Dora, the child-wife. But really I enjoyed them all, with their slightly larger-than-life delivery of Dickens's slightly larger-than-life lines.

There is a fascinating set by Ray Lett, a skeletal wooden erection that conjures up anything from the Peggottys' nautical dwelling to the Steerforths' patrician home, even magically including the wrecked schooner in which Steerforth dies. (There are more deaths in this than *Hamlet*). The director is Michael Napier Brown.

Arts news in brief

Dickon Reed, senior drama producer for the BBC World Service, has been appointed drama director of the Arts Council. He succeeds John Faulkner, who has been appointed associate producer at the National Theatre.

*

The inaugural ceremony of the British Federation of Young Choirs is to be held on February 5 at Leicestershire School of Music, Leicester. Formed to encourage British choral singing, the federation will welcome on its inaugural day Marcel Corneloup, president of the European Federation of Young Choirs.

*

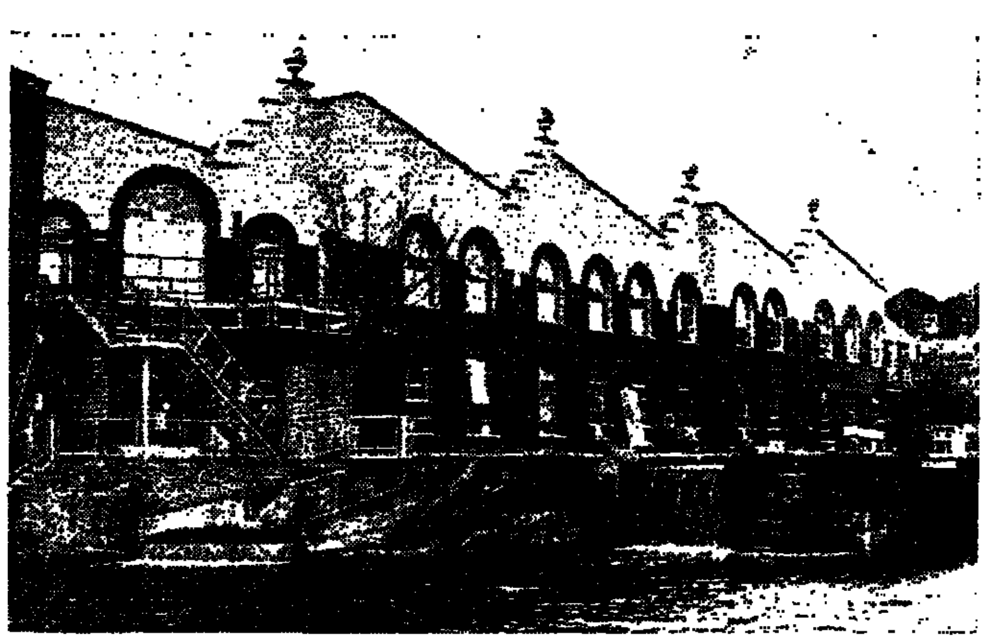
Next month the Royal Shakespeare Company is to celebrate the first anniversary of the move to its new London home, the Barbican, with a special festival entitled *One Year On*. The majority of the events in the festival, which is to be sponsored by BP, will take place in the small Barbican theatre, The Pit, but many other spaces inthe centre will also be used, both for performances and exhibitions.

The festival runs from February 21 to March 16.

*

The search has begun for nearly 50 young stars for a £500,000 London stage production of the hit musical film *Bugsy Malone*. Auditions will soon take place to choose 48 12 to 14-year-olds for the stage show, which will open at Her Majesty's Theatre in London on May 26. It will have the New York gangsterland setting with children playing all the parts.

As in the film, the voices for solo songs by the eight principal young stars will be provided by adult singers



General view over Camden Lock of TV-am's headquarters

Architecture

Colin Amery

Flexible roosters at Camden

"Gags, 'sexual chemistry,' froth, showbiz" were the words used by colleague Chris Dunkley to sum up his initial impressions of TV-am's first production of *Good Morning Britain*. He might as well have been talking about the new building that has been designed by the Terry Farrell Partnership as both an advertisement and a home for the new, up with the lark, television station.

The headquarters occupies a site alongside the Regent's Canal in Camden Town. The entrance to the glamorous matutinal world is a depressing little street between the Favourite Cafe and The Elephant's Head. To counteract the narrow gloom of the approach the street facade is covered in waves of accordian-pleated sheet metal with bands of colour that are graded from red to gold—like the sunrise.

The gateway to the morning dreamworld lies beneath a striking suspended keystone — apparently defying gravity. When you reach the canal side of the silver block *all is revealed*. This is not a new building but an addition to and renovation of 1930 industrial premises and covered car park. The saw-toothed canal-side facade is now brightly painted and topped by eggs in blue and white egg cups in the manner of ball finials.

In plan the basic arrangement is of offices and service areas around a large central attrium on the first floor and new studios and associated engineering activities on the ground floor. The architectural point is not really the immediately appealing and amusing central area with its Busby Berkeley staircase but the effective way the whole place is visibly, openly dedicated to the idea of being a TV building. This may sound obvious but it takes a lot of organisational skill to ensure that everyone using a building feels part of the total enterprise.

This idea of user-involvement achieves success because everyone (except for some invisible technicians) is highly visible. The news department is used as the backdrop to the TV transmission of the news and the whole of the atrium can be used for transmissions of all kinds. The two studios are visible through glass panels on a viewing bridge and the managers and directors are all on display in their glass-walled offices. Even Peter Jay bares all with an amazing display wall of trophies—the signed Presidential photograph nowadays takes the place of the stuffed tiger.

Every visitor and employee will, at some point, cross the central atrium on a bridge or climb the main stairs or walk through on the way to the hospitality suite. What is it like this heart and hub of the building? It is quite simply amazing.

It is intended to be a slice through the entire world. At the east end of the narrow court is the Japanese pavilion where TV-am hospitality is dispensed beneath the sharply raked roof. The floor is laid with a tatami mat patterned in the carpet and guests recline on an appropriately egg-stained suede sofa.

Moving west you reach the central stair which is in the form of one of the ziggurats of Mesopotamia. Four real palm trees signal the move to sunnier climes. The third and most westerly crossing of the atrium is in the form of a vaguely classical pediment standing in an Italian style garden. Between raked walls the cactus garden is glimpsed reflected in a mirrored wall—symbol of the desert.

All this space is flexible and can be used for TV productions, Angela Rippon can dance between the columns, and Peter Jay could pronounce on the state of the nuclear debate from the scorched desert.

The architect Terry Farrell says of this exercise in popular and colourful Deco design that it is not intended as a disguise for the more functional aspects of the project but is in its very jovial approach the essence of the architectural solution.

I find it difficult to do other than welcome his agreeable light-hearted approach to colour and decoration. The fact that it all looks so insubstantial —a kind of cardboard classicism—is probably because we have all been conditioned to expect "proper" buildings to be solid and sober.

Hope Against Hope/Royal Exchange, Manchester

Michael Coveney

In *Hope Against Hope* Nadezhda Mandelstam documented the last years of her husband's life. Theirs was an heroic marriag, ending in Osip's death in a camp near Vladivostock in 1938. The poet had sealed his fate from the moment he recited "The Stalin Epigram" to a group of friends four years previously.

At the Royal Exchange, Manchester, director Casper Wrede takes passages from Nadezhda's famous volume, as well as from its sequel *Hope Abandoned*. There are also poems and letters, and the reminiscences of the couple's mutual friend, the poet Anna Akhmatova. The end result, alas, is a gloomy and ponderous saga on a worthy theme, delivered in an uneasy mixture of direct address, awkwardly staged fugitive episodes and repetitive brushes with the Stalinist bureaucracy.

Through all this David Horovitch posits a picture of the harassed poet struggling with halucinatory delusions and bursts of histrionic fervour. His work was a joint effort with Nadezhda, for she not only wrote most of it down but also memorised a great deal of it years after it had been composed. This extraordinary love story is not all that well served in the scene where the artist is revealed hard at work at Voronezh: Mr Horovitch twitches and mumbles and dictates his allegedly complex poetic structures as if planning a shopping expedition.

After Akhmatova (Dilys Hamlett) has introduced the cast, her function more or less dries up. The brunt of the evening's narrative is borne by Avril Elgar as Nadezhda but the material proves curiously leaden and intractable for stage purposes. Explanatory footnotes on peripheral characters and historical events are pumped out by a sullen chorus in greatcoats and headscarves. Russian folksong, too, comes steaming off their huddled corporation, most effectively as the Mandelstams board a vessel for exile in the East.

The arrest of Bukharin and the growth of "authorised" literature are the final straws, and we see the Mandelstams hurtling from desk to desk to seek renewal of residency in Moscow before bed-hopping in the shadow of the secret police. The perfunctoriness of the staging, however, is matched by the perfunctoriness of the storytelling and it is impossible to feel anything resembling involvement in the tragic tale.

As usual, Mr Wrede makes telling use of the theatre's echo, but there is something dispiritingly makeshift about the bare boards and buttonholing style of presentation. Nor does the text, based on the translations by Max Haywood, convince me of Mandelstam's greatness as a poet. It is easier to appreciate the heroism of the wife who died just three years ago.

Scottish Opera in London

Max Loppert

The most accomplished of the final three opera performances in last week's short Scottish season at the Dominion was *Mahon Lescaut*. It was a fully fledged whole (as, in varying degrees, the other two were not): it had a sufficient musical stature, which was not compromised by production whims.

Manon Lescaut, first shown (not very tidily, according to report) at last year's Edinburgh Festival, has pulled together. It is not a staging of immense refinement and eloquence of a kind that might bind tight all the loose ends of Puccini's gorgeously lyrical but ramshackle opera (those of us fortunate enough to have experienced Visconti's famous Spoleto *Manon Lescaut* will know what such refinement can mean, and can do). But it reveals the light hand, the alert eye for sociable detail, of its producer, John Cox: and, apart from a final act ill-placed on this incommodious London stage (and exceedingly ill-lit), it makes the best of its given material.

In terms of casting, this meant a Lescaut, Norman Phillips, of strong but unforthcoming personality, vocal and dramatic; and a Des Grieux, Peter Lindroos, well into fleshy maturity (though the ringing sincerity of Mr Lindroos's best phrases made one tolerant of tenorial inelegance that was musical as well as physical). For the heroine, the Romanian Nelly Miricioiu, no excuse of any kind was required—indeed, in her vibrantly passionate singing (a little like a young and still biddable Albanese) and her manner at once vulnerable and piquantly alluring, the performance found its focus, its highest point of achievement. On Saturday, the first act was hectic, the intermezzo overdriven: for the rest, this was Alexander Gibson and the Scottish Opera Orchestra as of old.

But even this involving and attractive Puccini, representing the company near full strength, was not well housed in a theatre whose lack of intimacy (and of a proper pit) subjected it to unnecessary strain. *The Pearl Fishers*, the evening before, had suffered even more, in that its musical direction, under Ian Robertson, seemed already limp and lax enough without Dominion depredations to dilute it further. The production, of a kind that would do ready service for a television chocolate-bar commercial, kept the singers perpetually behind gauze—and gauzy, in an unhelpful sense, was the feeling of the evening: no more than a modest measure of Bizet's youthful freshness and distinction pierced through. Of the cast, which included Mr Phillips (Zurga) and Ian Caley (Nadir), only Jill Gomez as Leila treated her music to the proper blend of sweetness and fluency, and even she lacked *élan* for the big moments.

If Bizet was no more than moderate, Thursday's *Entführung* (given, like *The Magic Flute* but unlike the other two works, in English translation) was something worse—drearily under-conducted (by Mr Robertson) and under-sung, and, by David Pountney, irritatingly over-produced. If not, perhaps, quite so liberally rewritten as the current ENO *Queen of Spades*, this *Seraglio* is one of Mr Pountney's refurbishment jobs: Osmin, done over as a bald thug, lean and desperately unhumorous, is its particular victim. The fact his music was delivered with all-but-flawless athleticism and accuracy by Stafford Dean almost made a go of a hopeless case. But with off-colour singing by Ryland Davies (Belmonte) and Yvonne Kenny's sorely taxed Constanze, a flouncing fidgety set, and, above all, a central mishandling of Mozart's usually extravagantly enjoyable *Singspiel*, this was not a Scottish Opera evening that will have much enhanced the company's London reputation.

Boris Godunov/Coliseum

David Murray

Back at the English National Opera, this *Boris* in Mussorgsky's original version — or rather an amalgam of his original versions—still feels like a very bloodless revival. It has good new principals and a new conductor, Elgar Howarth, and later performances will certainly go better than the Thursday opener. After painfully ragged singing in the first great choral scenes, the chorus improved out of recognition for the end, but by then (four hours later) their audience was measurably smaller; co-ordination between stage and pit was rocky throughout. There were long waits between scenes (over and above 50 minutes of intervals), despite the unchanging, very unlovely basic set. Bad luck on the night, no doubt; but the weaknesses go deeper.

High-minded music-lovers of course favour original Mussorgsky over the established Rimsky-Korsakov version of the score (though few singers have ever done so). We may distinguish three aspects of Rimsky's well-intended, highly professional revisions. (a) He gave the music a much more interesting orchestration, arguably too interesting to serve Mussorgsky's singer-orientated plan; it boasts much higher colours and contrasts—sometimes just extraneous Rimsky-glitter, but often a matter of writing for instruments in grateful registers instead of ineffectual ones (as Mussorgsky might have done had he known better). (b) Rimsky also "corrected" harmony and even phrase-shapes wherever they struck him as awkward, thereby revealing a tin ear for Mussorgsky's robust idiom; the original notes could be reinstated independently of decisions about scoring. (c) Most important in respect of operatic effect, Rimsky did what all professional composers are anxious to do when scoring: he fixed expressive details of pulse, emphasis and tone by writing them into the orchestration, thus making the music relatively conductor-proof.

Mussorgsky's own much simpler score is also more opaque; for precision of expressive effect, any amount of sympathetic detailing is required. Here and there, Howarth managed that. Elsewhere there were long passages of faceless, uninflected playing (the inert mazurka-rhythms in the Polish act were especially afflicting), and—worse still—the stage action in Colin Graham's production is limp and sketchy. No doubt the "naturalism" Mussorgsky wanted from his operatic actors would strike us as stagey and over-explicit, but something better than a generalised charade must be put in its place.

In the circumstances Aage Haugland is a creditable Boris, too little of a feral despot but humanly moving, and Rowland Sidwell's tenor makes a notable impression in the role of the Pretender. The new Marina, Jean Rigby, succeeds in conveying as much character as the excellent Geoffrey Chard's scheming Jesuit in the Polish scenes, grossly under-directed. The Innocent is beautifully sung by Adrian Martin, and old Pimen again by John Tomlinson. As the little Tsarevich, Fiona Kimm offers a delicious Octavian (quite wrong). The low-life characters, decently sung, take on no credible existence. Piety alone won't bring the original Mussorgsky back to life.

The Bacchae/Orange Tree

B. A. Young

New versions of Euripides's *The Bacchae* are a favourite ploy. We have seen it in every setting from Nigeria to a ladies' lavatory. At the Orange Tree in Richmond we are told firmly in the programme that we are in front of the Royal Palace in Thebes, but in Anthony Cornish's production there is no visual indication of it. The company of 10, wearing clothes of modern cut, sit in chairs on an empty stage, moving only to provide individual emphasis rather than dramatic representation.

A new translation is used, by Peter Arnott. It falls into strong-rhythm pentameters, but the general feel is narrative rather than poetic. It sounds very well, except for one dissonant intrusion, the word "slayed" instead of "slew." Pentheus (Peter Guinnes) makes his first appearance in a blue double-breasted overcoat, but when the time has come for him to disguise himself so that he may spy on the women, he wears a full drag that suggests a charwoman of 50 years ago on her day off.

Dionysus (William Hoyland) does not try to match his description in the text, but he speaks with an apt blend of benign benevolence and condescension that puts him at the right place in the picture. Agave, as Valerie Sarruf presents her, is a handsome woman barely into middle age. She cradles with pride, not affection, the shrouded head that she believes to be a mountain lion's: when she discovers whose head it is, her horrer is extreme. By keeping the head covered until this happens, I think we are deprived a little of the sight of Agave's Bacchic delusions.

In fact, what we have is a straightforward presentation of the well-known story. There is no attempt to extract any new interpretation from it; interpretation may be left to the audience. I'm bound to say I have never yet found one that really satisfies me, however much I enjoy the play.

National Gallery attendance drops

The National Gallery attracted 2,633,139 visitors in 1982. This represents a slight fall from the previous year's figure which had been boosted by the success of the exhibition *El Greco to Goya* which ran from September 16 to November 29, 1981.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

February 4–11

LONDON

BBC Symphony Orchestra and Chorus with BBC Singers conducted by John Pritchard. Bartok's Cantata *Profana sung in Hungarian and* Beethoven's Choral Symphony. Royal Festival Hall (Mon). (928 3191)

Philharmonia Orchestra with Vladimir Ashkenazy as conductor and pianist. Prokofiev, Mozart and Strauss. Royal Festival Hall (Tue).

London Sinfonietta conducted by Oliver Knussen with Elaine Barry, soprano. Ives, Finnissy and Grainger and first British performance of Peter Lieberson's Accordance. Queen Elizabeth Hall (Tue). (928 3191).

Jessye Norman, soprano, accompanied by Geoffrey Parsons. Brahms and Wagner recital. Barbican Hall (Tue). (638 8891).

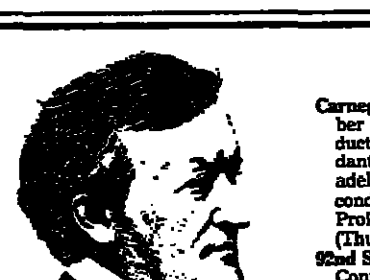
London Symphony Orchestra conducted by Ivan Fischer with Zoltan Kocsis, piano. Wagner, Rachmaninov and Dvorak. Royal Festival Hall (Wed).

Royal Philharmonic Orchestra conducted by Owain Arwel Hughes with Ian Hobson, piano. Dukas, Rachmaninov, Mussorgsky and Ravel. Barbican Hall (Wed).

London Philharmonic Orchestra conducted by Sir Georg Solti. Wagner, Beethoven and first performance of McCabe's Concerto for Orchestra. Royal Festival Hall (Thur).

Walter Klien, piano. Schubert. Queen Elizabeth Hall (Thur).

Gidon Kremer, violin and **Andras Schiff**, piano. Schumann, Schubert, Takahashi and R. Strauss. Wigmore Hall (930 9232).



Wagner: conducted by Zubin Mehta at the Avery Fisher Hall, New York.

Ronnie Scott's, Frith Street: Alto-saxophonist Lou Donaldson and his quartet. Ends Feb 12. (439 0747).

WEST GERMANY

Berlin Philharmonie: Tonhalle Orchestra Zurich, conducted by Christoph Eschenbach with Flautist Aurele Nicolet. Mozart and Bruckner (Thur).

ITALY

Rome, Auditorium via della Conciliazione: Mahler 9 (Mon and Tue).

NEW YORK

Avery Fisher Hall: New York Philharmonic, Zubin Mehta conducting. Mozart, Schoenberg (Tue); Zubin Mehta conducting, Hildegard Behrens soprano. All-Wagner programme (Thur). (874 2424)

Carnegie Hall: Royal Swedish Chamber Orchestra, Mats Liljefors conducting. Corelli, Mozart, Mercadante, Bartok, Nielsen (Mon); Philadelphia Orchestra, Riccardo Muti conducting, Claudio Arrau pianist. Prokofiev: Romeo & Juliet Suite (Thur). (247 7459)

92nd St. Y (1395 Lexington): Group for Contemporary Music, Lukas Foss piano, Benjamin Hudson violin, Barbara Martin mezzo-soprano. Foss, Weisgall, Berio, Druckman (Tue). (427 4410)

Alice Tully Hall (Lincoln Center): Chamber Music Society of Lincoln Center, Elmar Oliveira violin. Dohnanyi, Beethoven, Glazunov (Mon, Tue). (362 1900)

WASHINGTON

Concert Hall (Kennedy Center): National Symphony Orchestra, David Zinman conducting, Eugene Istomin piano. Fauré, Chopin, Strauss. (Tue, Wed, Thur). (254 3776)

CHICAGO

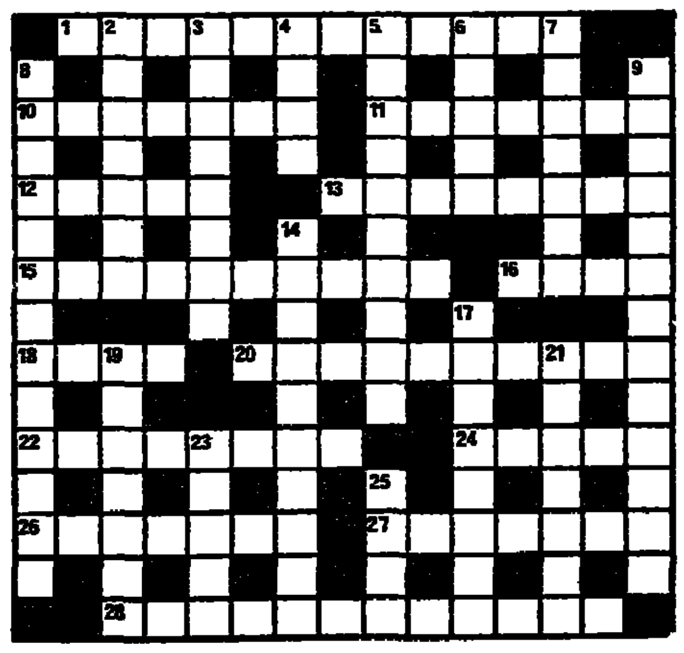
Orchestra Hall (220 S. Michigan): Chicago Symphony, Claudio Abbado conducting, Cecile Licad piano. Stockhausen: Gruppen, Rachmaninoff: Piano Concerto No. 2 (Thur). (435 8122)

VIENNA

Musikverein (658 190): Küchl Quartet. Beethoven, Dvorak, Debussy. (Wed).

Konzerthaus (721 211): Alban Berg Quartet. Beethoven, Dvorak, Bartok (Tue).

F.T. CROSSWORD PUZZLE No. 5,091



ACROSS

1 To supply Latin version could be fortunate (12)

10 Fumes to inflame (7)

11 Stringed instrument, one corresponding to 14 (7)

12 Lifting device is hot outside (5)

13 Old Mesopotamian says I ran badly (8)

15 The withdrawal of soldiers pulling with motive power (10)

16 Personal interest in the individual (4)

18 Cleanse part of the North Sea (4)

20 Delaying tactics may produce universal Lib. strife (10)

22 Cook takes time to make a foundation (8)

24 Common name for a metal-worker (5)

26 Choose artist for the daughter of Agamemnon (7)

27 Warm up a bird, but it's pagan (7)

28 A severe reprimand for preparing bird with feathers (8-4)

DOWN

2 About church I exercise acknowledgments (7)

3 Blind [illegible]ian citizen ? (8)

4 Fitting learner for a combat (4)

5 Star on concave moulding in Canada (4, 6)

6 Cream and gold seen in climbing plant (5)

7 Our national emblem is employed initially to make into a celebrity (7)

8 A man of the ring ? (7, 6)

9 The cost of an old form of transport ? (5-8)

14 Instrument for attaching a line to a fish (6, 4)

17 Extinguish resistance and excel (8)

19 Wages and gratuity in post (7)

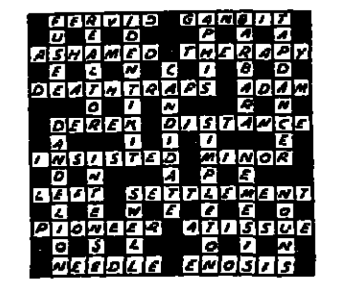
21 Has writ to amend for transport (7)

23 Machine for shaping French and English articles (5)

25 Part of the face duplicated in greeting (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Solution to puzzle No. 5,089



FINANCIAL TIMES

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Monday February 7 1983

The challenge for Portugal

THE DECISION at the end of last week by President Antonio Ramalho Eanes of Portugal to dissolve parliament and call a general election on April 25 has come none too soon. The record of the two-year-old Democratic Alliance Government led by Sr Francisco Pinto Balsemao, who resigned in December, has been disappointing to say the least.

Its short life has been marked not only by continuous wrangling between the three coalition partners—Sr Balsemao's Social Democrats, the Christian Democrats and the small Monarchist party—but by constant sniping at the Prime Minister by members of his own party. In the end it was the internecine quarrels of the Social Democrats, many of whom could not reconcile themselves to the loss of their late leader and idol Francisco Sa Carneiro, killed in an air crash, which led Sr Balsemao to throw in the towel.

The outgoing Government will be remembered mainly for its reform of the constitution, under which the Council of the Revolution, a military body set up in 1976 that could veto parliamentary legislation, was abolished.

The constitutional changes, by strengthening the powers of parliament, should have opened the way to a number of much-needed economic measures. In particular urgent steps were required to deal with the problems of the loss-making and debt-ridden public sector, swollen by the revolutionary nationalisations of 1975, the rapidly deteriorating balance of payments and spiralling inflation.

Failed

It was certainly the Balsemao Government's main failing that, in spite of the good intentions of the Prime Minister and one or two of his ministerial colleagues, it has failed dismally to grasp the economic nettle and has left Portugal in serious straits.

The outgoing Finance Minister has claimed that the nationalised industries have cost the country as much as Esc 900bn (about £6.3bn) since they were brought under state control in 1975. Yet plans to set up an institute of financial management of the public sector and to open up some of the nationalised industries have cost enterprise to make them more competitive have not materialised.

Though genuine efforts were made by the authorities to control inflation through tighter monetary policies (credit controls and a temporary price freeze in the summer of 1982, too many exceptions were permitted to make them effective. The state's financing was not subject to credit ceilings and public enterprises could borrow as much as they wished abroad.

Both the large state budget deficit and the failure of the managements of nationalised companies to respect wage norms set by the Government contributed to an unacceptably high rate of inflation of more than 22 per cent in 1982 compared with 20 per cent in 1981.

Nor has the devaluation of the escudo in June 1982, the system of regular monthly depreciation of the currency or import surcharges made a dent in the mounting balance of payments deficit which reached $3bn in 1982, or some 13 per cent of gross domestic product. A particularly disquieting aspect of this problem is that servicing the external debt now accounts for at least one-third of the payments deficit and the burden can only become heavier in the future with the projected increase in foreign borrowing.

Wisdom

It is clear, therefore, that the new Government which emerges from the April general election will face a huge task in setting the economy to rights. A failure to tackle effectively this paramount problem could lead only to the reinforcement of those, happily still in a small minority, who are pining for the return of autocratic government.

Much will depend on the wisdom and strength of President Eanes, whose standing in the country has increased in direct proportion to the intensity of the eternal squabbles between the politicians.

President Eanes has demonstrated conclusively that he continues to dominate the political scene by his recent refusal to accept a weak replacement for Sr Balsemao and his insistence that an interim budget should be presented before an election was called. He remains the one stable element in a volatile situation. In the difficult period ahead the President will certainly have an essential role to play.

The cost of prescriptions

SINCE the creation of Britain's National Health Service in 1948, there has been a conflict between the pharmaceutical industry's interest in profitability and growth and the taxpayer's interest in keeping the health service drugs bill as low as possible.

The controversy over the use of generic or unbranded drugs is the latest in a series of battles between the industry and its critics over prices, profits and sales methods.

The argument—which has been taken up enthusiastically by the Social Democratic Party—is that if doctors could be induced to prescribe drugs by their generic or approved name instead of using the manufacturers' brand name, substantial savings would be achieved to the benefit of other parts of the health service.

Clinical

This view receives some support from the Greenfield Report on effective prescribing, published by the Government—curiously, a year after it had been completed—at the end of last week. The working party recommends a more economical approach to prescribing which still leaves the doctor free to make the final clinical decision.

Where generic equivalents to proprietary drugs are available (this, of course only applied to drugs which are no longer protected by patents), doctors should be encouraged to prescribe them.

The suggestion is that doctors should be required to indicate a positive preference for the proprietary version by initialling a box provided for that purpose on the prescription form.

There are practical problems with this recommendation, including the need to ensure that unbranded drugs meet the necessary quality control standards. But, given appropriate safeguards, there seems no reason why the use of generic drugs should not be increased; although doctors have been encouraged to prescribe in this way since 1960, only 20 per cent of prescriptions in 1980 were written by approved names. Whether an increase in this proportion could generate the spectacular savings claimed by some of the industry's critics, seems doubtful.

Probably more important to the industry's profitability is the review announced by the government of the Pharmaceutical Price Regulation Scheme. Voluntary price control arrangements between the industry and the health service have been in force since 1969. Although there have been occasional clashes (notably the Roche case in the early 1970s, which led to a Monopolies Commission investigation into the price of Librium and Vallium), the arrangements have worked reasonably well. The new review, to start later this year, will cover such matters as the return on capital allowed to the industry, the incentives to efficiency and the costs permitted as chargeable expenses.

Underlying the approach to prices has been an acceptance by successive governments that there is a public interest in a high rate of pharmaceutical innovation, that such innovation is most likely to stem from competitive and profitable private enterprise, and that the UK should provide an environment in which the pharmaceutical industry can flourish. The result has been that Britain's industry is among the world's leaders, with a good record on innovation and exports, while the price of health service pharmaceuticals — which account for 10 per cent of total expenditure — has risen appreciably less than the rate of inflation.

Monitoring

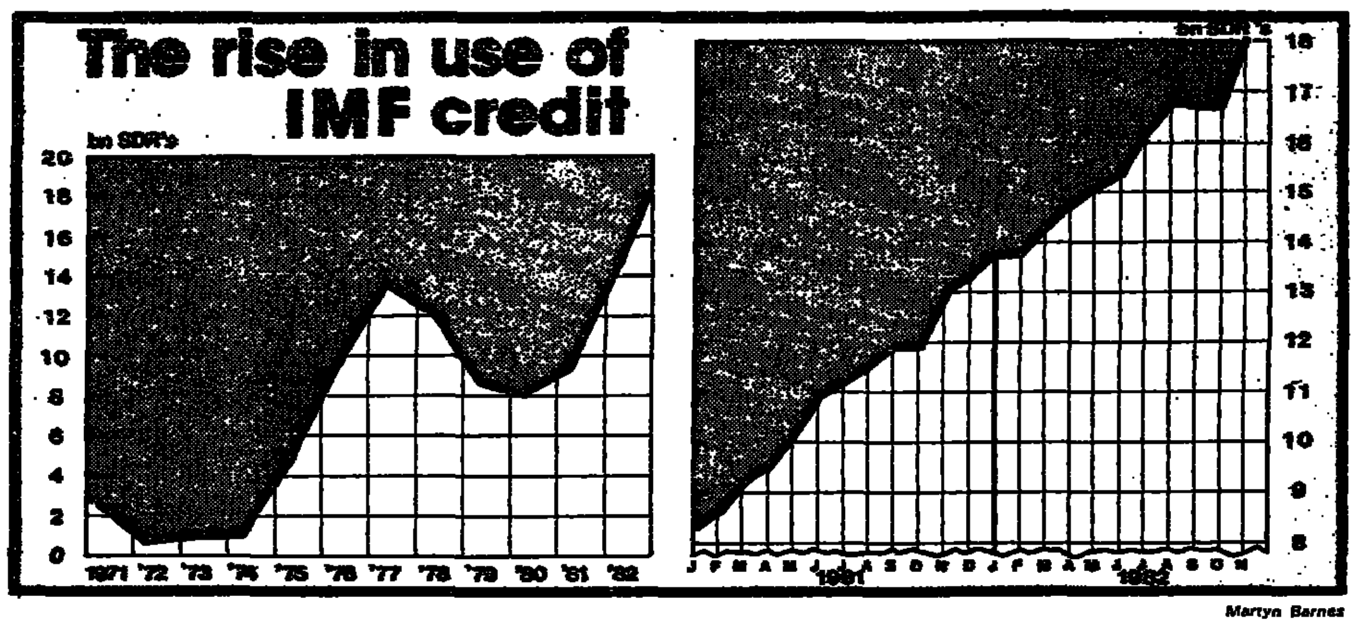
The industry is in a special position both because of its concern with health and because its dominant customer is the taxpayer funded health service. Public supervision of safety and prices is essential, while the industry has to temper its commercial instincts with a high degree of self discipline.

The system is certainly not perfect. The recent Opren tragedy, for example, seemed to indicate a weakness in the post-approval monitoring of new drugs. Attempts to improve the system are not helped either by an over defensive reaction on the industry's part or by ill-informed demands for cheap drugs. The new pricing review, together with the Greenfield Report, provides the opportunity for an objective reappraisal of an important part of the regulatory framework.

IMF MEETING IN WASHINGTON

The $500bn poker game

By Anatole Kaletsky in Washington



Martyn Barnes

THE EFFORTS of the International Monetary Fund to prevent the collapse of the world's financial system have so far depended, like a game of poker, on a combination of shrewdness, brinkmanship and sheer good luck. In the last year, the Fund has saved over 20 developing countries and their lenders from bankruptcy despite apparently overwhelming odds. With only about $20bn in available resources, the IMF has enabled clients facing debts of around $250bn to stave off default.

But despite the successful rescue operations arranged in recent months for Mexico, Argentina, Hungary, Brazil, Peru and Chile, along with more than a dozen lesser borrowers, the developing world's $500bn mountain of debts remains as precariously balanced as an inverted pyramid. The chances that anything can be done about the underlying problem by the IMF in its present form are strictly limited.

The disparity between IMF resources and the size of global debt is calling for new attitudes and new techniques at the Fund, as it is forced to concentrate its attention on developing countries with huge and unstable commercial borrowings instead of the industrial countries, like Britain and Italy, which were the kind of clients it was primarily designed to serve.

This week the 24 finance ministers who make up the IMF's interim committee meet in Washington to reduce this disparity by providing the fund with new resources. Even if the committee agrees to boost the IMF's quotas by around 50 per cent to about $90bn — and there is still plenty of scope for argument on the extent and distribution of this increase — this decision will end only the preliminary phase in a re-examination of the IMF's role. This began last autumn when the world's attention was suddenly seized by the near-panic in the banking community as it contemplated the possibility of a Mexican default.

At the simplest level, even the $40bn of new money which governments are expected to pledge to the IMF, will make only a small dent in the developing countries' debt problem. Much of this money will never even be usable for lending because IMF members provide 75 per cent of their subscriptions in their own currencies — and there is obviously no point in lending one struggling country the currency of another which is itself in equal financial straits. Furthermore, there is always the possibility that some major industrial countries may need to turn to the Fund again, as several did in the 1970s.

But even without these technical constraints on its lending, the overwhelming fact would remain that countries like Mexico or Brazil, with debts of $90bn and the need to refinance these debts at up to $2bn per month, could never turn to the Fund for more than a fraction of their financial needs. The most valuable resource the IMF can offer these countries is confidence, not cash.

Commercial bankers must then be persuaded to turn this confidence into money through a series of pleas, bargains and threats from the Fund, the borrowing country and other governments and central banks. In the celebrated Mexican package, for instance, the Fund's $3.9bn three-year commitment brought with it at least $5bn of commercial bank credit plus $20bn in refinancing of existing loans. Like three poker players, the banks, the Mexican Government and the IMF could all threaten each other with a default which would have been equally disastrous for all. In the end nobody's bluff was called.

The most valuable resource is not cash but confidence

The IMF's new role of galvanising and reassuring commercial banks probably came as more of a surprise to its own officials than to the world outside. Contrary to popular belief the typical IMF official is not a banker. He tends (there are very few women in senior positions) to be more of a scholarly type than a deal-maker. Traditionally, the IMF, unlike its sister institution, the World Bank, has rarely dealt with commercial bankers, it has not raised money in private capital markets and until recently it knew little about the techniques of private banking.

In the past year all this has spectacularly changed. "We learned a lot of lessons in 1979 and 1980," one senior official says. "We found that relative to the enormous efforts that we and the World Bank and the various governments were making some of the countries ended up with relatively little extra. We lent them the money, but instead of staying in the country, the private banks got all their interest out and some got out their capital as well. When we went to Mexico we knew this had to be avoided. But we also knew that unless we were expert bankers, the banks would always be one step ahead."

The Fund's solution was characteristically pragmatic. Realising that if the big banks could be made to increase their exposure to Mexico, it would then be in their interests to persuade the lesser banks to contribute as well. The Fund decided that "the only thing we could do was get the banks to police themselves.

"We explained to the big banks exactly what we needed and an awful lot of the credit which we are getting now should really go to the lead bankers who persuaded all the others to stay in."

Unfortunately, the dependence of a major debtor's solvency on this kind of ad hoc arrangement between bankers is one of the reasons for the continuing concern about the international monetary system even now that IMF packages have been negotiated for all the biggest debtors. The bankers' voluntary efforts to share their exposure to the troubled countries could easily unravel if even a few bankers tried to pull out at the next sign of trouble.

The IMF's fundamental problem, according to Mr Johannes Witteveen, the Fund's former managing director, is this:—

"It was assumed when the IMF was created in 1944 that the post-war period would be one of limited capital mobility. The philosophy and constitution of the IMF have in no way equipped it to cope with the fact that private international liquidity has far outgrown usable official reserves."

The fund's "philosophy remains focused on the current account," Mr Witteveen says. But the instability in the world financial system today is due primarily to the developing countries' capital account imbalances, while floating exchange rates have come to be dominated not by flows of trade, but by huge and rapid capital movements.

These seemingly abstract reflections relate directly to the biggest practical questions about the IMF's central role in stabilising the international financial system.

In coping with current account deficits, the IMF's standard prescription — a standby loan to boost the gradually dwindling foreign exchange reserves of the country in trouble plus an austerity programme designed to improve the trade balance — was usually successful in restoring a current account equilibrium and allowing the nation to rebuild its reserves (as well as repaying the IMF) within a reasonably short period.

Today, however, when a heavily indebted developing country suffers a deterioration in its trade balance, its ability to service its debts is also threatened. Thus a relatively small shift in the current account, of the type that might have been cured in the past with the help of an IMF standby loan, can lead to an enormous flight of capital which is out of all proportion both to the original current account setback and to the IMF's resources.

This raises at least three fundamental questions:

● Does the IMF need new powers to regulate international capital movements and commercial bank lending, matched by a responsibility for guaranteeing the solvency of the international banking system. In other words, should it become a worldwide central bank and lender of last resort.

Despite the traumas of the past year, there is no sign that the Fund itself would welcome such a wider role,

A typically conservative comment from one top official: "People who want a lender of last resort role would also want the power to restrain the banks from lending. Governments are very jealous of their powers and giving this kind of authority to an international organisation would really be changing history. Still, we could push quite a long way on the doors which are now open. But none of us can conceive of an international central bank happening within our careers here."

Even the idea that the Fund should borrow in international capital markets to provide a safety net for countries which suffer from sudden capital outflows, suggested by Mr Witteveen among others, has received only a lukewarm response.

Officials deny they prescribe austerity for its own sake

The Fund may borrow in the markets to tide it over while member governments ratify the increases in their subscriptions which are likely to be agreed later this week. A U.S. "safety net" proposal has been incorporated in this agreement, through an extension of the General Arrangements to Borrow, by which leading industrial countries can make additional money available to the Fund. But there is no indication that either the idea of market borrowing or the GAB will be used to finance what Mr Witteveen meant by a "safety net"—a new facility to lend very large sums at short notice specifically to countries suffering from capital flights.

● Secondly, are the economic adjustment programmes which the IMF imposes on its borrowers appropriate for the kinds of economic imbalances which the world faces today?

Officials challenge the charge that they prescribe austerity for its own sake. They deny that the Fund is deflating the world economy by calling on all its borrowers to cut their imports and devalue their currencies.

Several recent Fund programmes, including those for Mexico and Argentina, call for higher imports, admittedly in relation to the very low base established in 1982. For some countries, which claim to be avoiding the Fund because of its reputation for austerity, an IMF programme would have the effect of actually expanding their trade.

"We first look at what the capital account can be—whether we can keep up the capital inflow, or not—and then we derive the current account from that," he says. In the Eastern European countries, current accounts have even gone into surplus but more austerity is required because of the continuing capital outflows. In Latin America, on the other hand, the Fund has normally been able to keep some capital flowing in.

Nevertheless, the official concedes that "if we could anticipate that in two years' time the world economy would definitely be growing well, it would make a lot of sense not to disrupt countries like Brazil and Mexico as much as the current programmes. Maybe you could justify another 1 per cent of GNP on the current deficit if these countries' terms of trade were expected to improve."

This leads to the broadest question about the IMF's role. Has the world now become so interdependent that an international body which can co-ordinate different countries' monetary and perhaps even fiscal policies is required?

At the IMF, there are plenty of officials who think that the industrial nations' economic policies should now be shifted in a more expansionary direction — indeed that this is a necessary condition for the success of most of the adjustment programmes which the Fund has agreed with its borrowers.

The Fund's official view, as expressed by its managing director Mr Jacques de Larosière in public speeches and in its annual "economic outlook" remains staunchly anti-inflationary. As one official says: "Like central bankers, we are paid to be reasonably conservative — it is our role in life. It is up to others to call for reflation if that is required."

Perhaps this is why even the less conservatively - minded Fund officials, who generally look with favour on institutional solutions to economic problems, are reluctant to push the IMF too far into the business of laying out economic blueprints for the world in the years ahead.

Men & Matters

Hanging matter

One of the most common phrases used by the Speaker of the House of Commons is that having listened to all the arguments he is not required to give a reason for his decision.

It is an approach that Mr Speaker George Thomas is hoping his fellow Welshman Michael Heseltine, the defence secretary, will not tak.

A problem has arisen between the two, the roots of which are buried in their Welsh ancestry. They are jousting over the portrait of a Liberal whom they both admire deeply—Lloyd George.

Since taking office in the government Heseltine has sat beneath an oil painting of the great orator first at Environment and then at Defence.

Now Thomas would also much like this particular portrait to hang in the Speaker's House, under Big Ben, where it would be a good deal more inspiring than most of the other paintings there, which largely consist of portraits of his predecessors.

The two Welshmen may yet come to a suitably Parliamentary agreement. Speaker Thomas, is thought likely to retire to his Cardiff bungalow at the next general election, which may be only a few months away now.

If he had the portrait "on loan" for the rest of his term of office he could return it to Heseltine who is not contemplating retirement for many a year.

But the agreement is unlikely to be reached in a hurry. Both men are fairly determined, both have an unstoppable ability to talk, and (as many an Englishman knows to his cost) for every two Welshmen there are at least three opinions.

"Quite a few vacancies for football managers — but nothing long term"

Brave copy

You have to hand it to Gestetner for bravery. This company which makes the stencil duplicators of the same name—a process invented by David Gestetner more than 100 years ago—has been having a hard time in western markets lately.

So Denis Lowry, Gestetner's managing director, is flying from London to Japan, on what might seem to some a kamikaze mission, to carry the war directly into the enemy's camp.

The Japanese are probably his biggest single threat with their photocopying machines. But Lowry is confident he can do big business selling his duplicating machines to Japanese businessmen.

There are two reasons for his cheerfulness. The traditional stencil duplicating system can reproduce Japanese and Chinese handwritten characters extremely well for large print runs. Secondly, much of the paper used in offices in the Far East is cheap stuff (based upon re-cycled material) which is unsuitable for photo copiers but ideal for duplicators.

Gestetner turns over more than £300m a year in reprographic equipment, but lost £3m last year mainly because of manufacturing problems in Europe and difficulties with the U.S. subsidiary.

Lowry sees the Japanese market as a springboard for his company—not for a suicide dive, but as an opportunity to penetrate all the Far East countries where copying is a way of life.

They need a well-tried western process to help get it right, he will tell them.

Second sight

I reported, straight-faced, on the optician who went to live on an island off Alaska and is now known as an optical Aleutian. Readers will not leave the matter there.

Sir Charles Trinder suggests the man could more neatly describe himself as a eye sage. G. Beverley, of Hendon, wonders whether there is a connection with the Russian optician who designed an aircraft which turned out to be an optical Ilyushin.

Owners' spree

A hitherto overlooked advantage of staff and management "buy-outs" of businesses is that the process can offer splendid opportunities for a party when the annual general meeting comes round.

The National Freight Consortium was formed a year ago when 10,200 of the 25,000 staff of the nationalised freight carrier chipped in £6,250,000 for 80 per cent of the business, and the banks loaned £51m in return for most of the outstanding shares.

There was a carnival atmosphere in the Metropole Hotel at the National Exhibition Centre, Birmingham, at the weekend when 1,700 staff and pensioner shareholders attended the first agm.

After the formal business the room was cleared for a hot buffet and the party really got going. British, German and French television crews were on hand to record this exercise in industrial democracy.

If the performance of the freight consortium since being taken over by its work-force is a reliable yardstick the whole process has much to commend it, quite apart from the promise of an annual day out.

The consortium made a trading profit of £18.3m in the period February to October 1982. The shares, purchased for £1 apiece, have been rising in value ever since the privatisation.

As the shares are not traded on any public stock exchange their value is being set internally by a share trust, and trading takes place on four dealing days a year. A buzz of wonder followed by cheers was heard through the Metropole when the trust announced that the share value has been raised again—this time from £2 to £2.45.

Soft sell

"Farm fresh eggs," reads the hand-written billboard beside the A41 just outside Aylesbury. "Potatoes 90p a sack. Free software with our Z x 81 printer offer."

Staggered that Clive Sinclair's computer for everyman could be reduced to the status of pick-your-own strawberries, an FT man sought out B and B Stores (groceries and provisions).

Nestling among the vegetables, was a showcase full of Sinclair equipment: computer, printer, extra memory, and masses of software.

"Oh, it's my son," beamed Mrs "B and B"—"He's the one who took an interest. We have sold quite a few. I think he finds our usual lines a bit slow."

Degree over

Speaking up for a woman scientist client last week a banker friend explained "She's got more degrees than a thermometer."

Observer

FOREIGN AFFAIRS

Gaston Thorn goes on trial

By Ian Davidson

THE long-standing argument over Britain's inequitably large contribution to the budget of the European Community, which has at times seemed to be the only expression of Mrs Thatcher's interest in Europe, is beginning to escalate to a new level of excitement. One possibility, which was making a few hearts quake in Brussels last week, is that the European Parliament will vote to dismiss all 14 members of the European Commission, if not at this week's plenary session in Strasbourg then at some later stage this year.

The reason is that the British budget problem has now become entangled in a cluster of other, more far-reaching, issues. Until last December it was treated as a more or less private haggle about money between the governments of the member states; when the haggle was over, the financial rebate to the UK was enshrined in a supplementary budget, and that was supposed to be that.

However, in December the European Parliament rejected this supplementary budget on the grounds that this financial juggling was playing fast and loose with the principles of the Community. If supplementary expenditures were to be made in Britain, not only must they be made for specific purposes consistent with Community policies, but Community policies must be developed to provide a permanent solution to the British problem in place of the annual haggles.

Britain's budget is now entangled in other issues

After the initial shock of the vote, Sir Geoffrey Howe, the British Chancellor of the Exchequer, warned darkly that the UK might take unilateral (that is, unconstitutional) action to deal with the budget problem, by simply withholding payments to Brussels. But calmer views prevailed, and last week the Council of Ministers adopted a new supplementary budget, in which a large proportion of the British rebate is earmarked for energy projects. British officials profess to be pretty confident that this time round the supplementary budget will get through the Parliament, if not at this week's session then at the following plenary in March.

If so, the Parliament will have killed two birds with one stone: it will have extended its rather limited powers over the Community budget and it will have exerted some effective influence to push the balance of Community spending away from agriculture, which still accounts for two-thirds of the Community budget and which is the underlying reason for Britain's excessive payments.

What is interesting about this confrontation between the Parliament and the Council of Ministers is that it is focusing an extremely harsh light on the debate over the future development of the European Community, not only in terms of its finances, but also in terms of its policy mix. For if there is to be a long-term solution to the British budgetary problem which satisfies both Mrs Thatcher and the European Parliament, there must either be a radical restructuring of Community spending away from agriculture, or else there must be a radical revision of the way the Community secures its finances, or more probably both.

The trouble is that it is very hard to see how either, let alone both, of these things could be done quickly. If the EEC agriculture ministers adopt Commission proposals, in this year's farm price negotiations, which are designed to curb the growth of agricultural surpluses, they may be able to slow down the rate of increase of agriculture spending. But it would take many years of this kind of thing to swing the budget balance substantially away from agriculture.

Conversely, it would require an enormous increase in, for example, the regional and social funds, to solve the British budget problem, because Britain is not the only country with a legitimate claim on these funds. In any case, the current financial rules exclude such an enormous increase.

Money for the Community budget at present comes from three sources: Customs duties on industrial products, variable levies on agricultural imports, and national contributions up to a maximum equivalent to a valued added tax of 1 per cent. Some time quite soon, probably next year, the Community will hit this ceiling, and at that point it will either have to find new financial resources or cut its coat to suit its cloth.

Roger Taylor

Mrs Margaret Thatcher and Mr Gaston Thorn, President of the EEC Commission at No. 10 Downing Street

One possibility is that the European Parliament will sack all 14 Commission members

Until not very long ago, Britain and Germany were adamant that there could be no question of increasing the budget above this ceiling. Apart from budgetary pressures at home, the British Government also believed that a budgetary squeeze on the Community might step up the pressure for a reform of the common agricultural policy.

More recently there has been a palpable blurring of the British rhetoric. For one thing, there will have to be an increase in the size of the budget if the Community is enlarged for the third time to include Spain and Portugal. For another, it is increasingly clear that the combined pressure of the British budgetary problem and the Parliament's structural demands will require changes on both the revenue and the expenditure sides of the Community budget.

Only the German Government remains adamant that there can be no increase in the Community's financial resources. This has something to do with the fact that Germany is, with Britain, the only net contributor to the EEC budget, and with Bonn's increasing reluctance to add to the burden by shelling out more money for the British rebates. But it has more to do with the imminence of the West German elections on March 6, and most people assume, or at least hope, that thereafter Germany will prove to be more flexible.

Some of these issues move to centre stage this week. Today in Brussels Mr Gaston Thorn, the President of the Commission, unveils his discussion paper on different options for increasing Community revenue; and tomorow in Strasbourg he will deliver to Parliament a speech outlining the Commission's proposals for new Community policies during the next two years.

Brussels gossip suggests that the financial "green paper" will offer several options for raising fresh revenue, starting with a straightforward increase in the 1 per cent VAT ceiling. At one stage the Commission examined the idea of a tax on oil imports, which would obviously be of great advantage to Britain, but the view now seems to be that this idea just won't fly.

The most interesting proposal, and the one reportedly favoured by the Commission, would be for some kind of tax on agricultural production; not only would this favour Britain, it would also concentrate the minds of the finance ministers in the surplus-producing countries on the consequences of generous farm-price fixings.

Considerable anxiety is being felt in the Commission over the reception awaiting Mr Thorn when he delivers his programme speech to Parliament. Over the past year the Strasbourg assembly has become increasingly critical of the collapse of the previous attempt (the so-called "mandate" exercise) to restructure the balance of the Community's policies, and it may well judge the Commission harshly if Mr Thorn fails to project a plausible image of a dynamic new Community guided by a dynamic Commission. The trouble is that the Commission does not seem to have any bright new ideas up its sleeve, and it may be difficult for Mr Thorn to dress up old ideas, in which the member governments have shown little interest, as if they were new.

Despite explicit disclaimers last December that its vote against the supplementary budget was not an anti-British vote, there can be no illusion that the Parliament has any particular interest in solving the British problem to Mrs Thatcher's satisfaction.

Much of the Parliament is genuinely interested in seeing the Community develop policies which seem more relevant to salient issues of the Europe of today than the current emphasis on supporting the small peasant farmers of the Community. But the whole Parliament has an even greater interest in attracting public attention to its own role in the Community. Its performance, since direct elections in the spring of 1979, has been understandably erratic, partly because its formal powers are so few and so narrowly circumscribed.

Many people in Brussels are now conceding that it may have been a mistake for the member governments to have agreed to direct elections without giving the Parliament a larger role corresponding to its new legitimacy. But no one will be surprised if, in the run-up to the next direct elections in the spring of 1984, the Parliament uses to the full the only powers it has: to put obstacles in the budgetary process and to dismiss all 14 members of the Commission. If the Parliament is persuaded that its demands for the recasting of the supplementary budget for Britain have now been met, then it is bound to turn its attention to the idea of censuring the Commission. It may be crude, but it's politics.

The joker in the pack is the timetable. Even if the "green paper" on finance were to elicit instant applause from all member governments (which it won't), a new financial treaty would require ratification in all national parliaments, and that process might take a year. Even if Mr Thorn were to produce a dazzling programme for future action, its implementation would take one, two or even more years. Sooner or later, the member states must make up their minds whether they really intend to let Spain and Portugal join the Community; but even when they do, the adaptation of various internal policies (olive oil, wine, fruit and vegetables) and the conclusion of the enlargement negotiations will take a year or 18 months; and it is a safe bet that a new financial arrangement cannot be concluded until the enlargement negotiations are either in the bag or have been abandoned.

The joker in the pack is the timetable

In short, whatever happens to the supplementary budget this week in Strasbourg, the British budgetary problem will return like the proverbial bad penny at least this year and next.

Lombard

What markets now expect

By Samuel Brittan

THE ISSUE of index-linked gilts has not only provided the British Treasury with an important new instrument for funding and maintaining control. It has also introduced an important new economic indicator which has not yet been fully absorbed by the tribe of economic soothsayers, crystalgazers and analysts.

For the first time we have a measure of the real long-term rate of interest—ie, the rate after allowing for inflation.

Moreover to the extent that there is an integrated world capital market the yield on indexed gilts gives an idea of the real long-term rate of interest not merely in Britain but in other major countries. There are still some statistical problems to resolve in calculating indexed yields; and the modest number of these securities in circulation, compared with conventional fixed interest ones, keeps the price up and the yield down. But they still give a good rough indication of real rates.

Indexed gilts acquired their present status only in March, 1982, when all restrictions on holdings were removed. After the initial post-Budget spurt, long dated indexed stock (with maturities in the 21st century) settled down at yields of 2.8 to 2.9 per cent. Since the summer they have fallen about 0.5 per cent and their yield is now a little over 2.3 per cent. This may underestimate the true "riskless" long-term rate of interest for reasons already given. But there seems little doubt that under the influence of prolonged recession real long-term interest rates are slowly but surely falling.

Unfortunately, the significance of the long-term interest rate is limited by the fact that nearly all corporate financing is on a short-term or variable rate basis. Tax and other obstacles have discouraged companies from borrowing on indexed terms.

For the time being, therefore, the most important use of indexed yields may be to assess inflationary expectations in conjunction with the yield on conventional gilts. The FT-Actuaries high coupon 25 year gilt yield index staged a remarkable drop from nearly 16 per cent at the beginning of 1982 to just over 10 per cent in October. Subtracting the then prevailing gilt-edged yield gave an implicit or expected average long-term rate of inflation of just over 8 per cent.

Since then sterling has fallen by about 11 per cent and the yield on 25 year high coupon conventional gilts has risen to around 11¼ per cent. The implicit expected rate of inflation is now about 9¼ per cent.

The brokers Fielding-Newson Smith express a justified scepticism about the Treasury belief that only a small proportion of any sterling depreciation is reflected in higher prices. Because of the all-pervasive influence of international trade, the greater part of any depreciation is *ultimately* reflected in prices. The main reason why the change in inflationary expectations is modest is that the market does not expect depreciations on this scale in the years ahead. Even an 11 per cent boost to the price level, phased in over several years, makes only a modest difference to the average rate of inflation so long as it is a once for all affair. Moreover, there is still some counter-inflationary benefit to come from the previous sterling overvaluation.

The more interesting question is whether the markets are being too pessimistic about the *world rate of inflation* — on top of which the effects of a British devaluation are superimposed. After all, recorded inflation rates in the main industrial countries are now 5 per cent or less. If the market could speak, it might well endorse the OECD view that there are many temporary elements in these low rates and may also be rather more sceptical than the OECD of the ability of governments and monetary authorities to revive the world economy without re-igniting inflation. On the other hand, they clearly expect a halt to be called well before double-digit inflation rates have become embedded. So the future is not going to be exactly like the past. The market may well be — often is — wrong. But who is less so?

Letters to the Editor

Tax changes to alleviate the poverty trap

From the Director, Low Pay Unit

Sir,—Sir Geoffrey Howe and his advisers are at present puzzling over the best way to alleviate the effects of the poverty trap. They do indeed have a problem because, as a result of the decline in the value of personal tax allowances since 1979 *the numbers of* families with children caught in the poverty trap have almost doubled; meanwhile, abolition of the reduced rate band of tax and increases in national insurance contributions have resulted in a sharpening of its effects.

Very substantial improvements in personal tax allowances and in child benefit would be required to alleviate the poverty trap; tax now becomes payable by a two-child family on an income £25 a week below the official (supplementary benefit) *poverty line*. A reintroduction of the reduced rate band and reform of national insurance contributions would also be necessary. This is the only way out of the poverty trap under the current tax system, but how is the revenue to be found to pay for it? Proposals for negative income tax schemes have been shown to institutionalise, rather than to overcome, the poverty trap.

Your leading article calling for radical tax reform (February 1) is therefore to be welcomed, not only as a means of finding a way out of the poverty trap, but as a way of increasing economic efficiency as well. The tax base has, over the years, come to be eroded by the introduction of exemptions, reliefs and allowances for a wide range of income and expenditure. Recent Treasury estimates suggested that less than *half* of personal household incomes (and perhaps an even smaller proportion of corporate incomes) are subject to tax. Broadening the tax base through the adoption of a comprehensive income (or expenditure) tax which sought to tax all income, from whatever source, under the same progressive schedule of rates would generate the revenue necessary to tackle problems such as the poverty trap and among other things, allow a reduction of marginal tax rates.

The way forward is indicated in your Leader: the Chancellor should announce on March 15 plans to undertake a fundamental review of the tax system, including a "tax expenditure budget" of the type adopted in other countries to ensure proper planning and control of that element of public expenditure administered through the present system of tax allowances and reliefs. The possibility of a fairer and more efficient tax system offered by such an approach should prove attractive to Sir Geoffrey.

Chris Pond.
Low Pay Unit,
9, Poland Street, W1.

Come into my parlour

From the Chairman, Restaurateurs' Association of Great Britain

Sir,—The immediate result of the ruling contained in Section 15 of the 1965 Finance Act, concerning restrictions in the allowances of expense accounts for tax purposes, in respect of entertaining in hotels and restaurants, had an immediate and dramatic effect; not only did establishments throughout the country suffer severe turnover problems for quite some time but even a number of restaurants closed down. It was fortunate that while restrictions imposed by that particular legislation have never been varied, the public, in general, eventually accepted them to a limited extent.

There is another aspect of this Act that has had a much more lasting and damaging impact in that field of business and this concerns highly skilled staff. Taxation experts soon discovered that a so-called "directors' canteen," provided it complied with existing tax regulations, was allowable for tax purposes, and the number of such "canteens" has proliferated all over the country. By virtue of their very nature, they were able to recruit a substantial part of the "cream" of chefs and head waiters who, naturally, were delighted to find easier conditions of work without loss of income, and the restaurants and hotels found themselves deprived, not only of customers but also of skilled staff.

The anomaly is that while business concerns can spend as much as they like entertaining customers, colleagues or friends, with full tax allowance, that very same entity still cannot use a public establishment for the same purpose on the same basis, and this is grossly unfair. That *directors' "canteens"* are with us, as a way of life, has to be accepted. On the other hand, it is not acceptable that Section 15 of the 1965 Finance Act should be still in the statute book.

R. Calzada.
44 Old Church Street, SW3.

Nuclear disarmament is impossible

From Professor Bellany.

Sir,—Before the debate on nuclear weapons goes any further, with or without the assistance of an advertising agency (your report of February 1), it may be as well to remind everyone involved of a fact serious students of disarmament issues have so far kept to themselves. They have known for years that nuclear disarmament for a country like Britain is impossible.

Even without a single nuclear weapon on her territory and an international inspectorate given perfect freedom to check that none were being secretly manufactured, in time of military emergency Britain could become a nuclear weapon state again in a matter of days. Plutonium would be available in reasonable quality and in large amounts from the stockpile kept for the civil nuclear programme. There would be no need to test the weapons since they could be made to proven designs; and no need for special delivery systems since modern piloted aircraft and cruise missiles are equally capable of fulfilling *nuclear or conventional* roles.

However sincerely intentioned the original act of disarmament, no foreign government could prudently assume that in time of impending war Britain would fail to take advantage of the developing crisis to equip herself with the most powerful weapons available.

Those, then, who claim that unilateral nuclear disarmament would leave the country defenceless in the face of nuclear threats can be seen to be overstating their case. Those on the other side of the debate who claim that unilateral disarmament would remove Britain from the target lists of hostile nuclear powers can also be seen to be going further than the facts warrant. No more inviting target can be imagined in a nuclear-disarmed Britain than the places where plutonium was being manufactured, processed and stored for the civil nuclear programme.

(Professor) Ian Bellany.
University of Lancaster,
Centre for the Study of Arms Control and International Security,
Department of Politics,
Fylde College,
Bailrigg, Lancaster.

Steadfast viewers

From the Head of Marketing Channel 4 TV

Sir,—It is quite true that the share of total viewing in any one week obtained by Channel is now only 4 per cent, nearly, but not quite, half-way to our goal.

But, it is not rue, as Chris Dunkley assumes (February 2), that this means that 96 per cent of viewers steadfastly ignore Channel 4 at any given time. On the contrary, as we could have told him had he asked, 23m viewers watch Channel 4 in any one week, 44 per cent of those viewing. In any four week period 35m people watch.

You might as well say that 90 per cent of British TV viewers *steadfastly ignore* BBC 2 at any given time, since BBC 2's share of viewing recently has been under 10 per cent. But, of course, most people watch it, as they begin to watch Channel 4, some of the time.

Sue Stoessl.
60 Charlotte Street, W1.

Competitive buyer credits

From the Managing Director Mindev

Sir,—Having secured a foothold in the Yugoslavian mining machinery market against strong German competition, this company finds it most frustrating that there are difficulties in obtaining Export Credits Guarantee Department cover for further business, despite obvious Yugoslavian determination to overcome current problems which flow largely from the energy crisis. It is quite understandable that ECGD must operate prudently (and over the longer term profitably) but it is of little use for Government to expect us to export when the means to offer competitive buyer credits are not available.

Can something not be done to underwrite ECGD itself in such countries? I suspect the cost would be minimal and far exceeded by the benefit to the balance of trade. To the beleaguered engineering industry, it would be some sign of encouragement.

C. M. Harkness.
Mindev,
Crown Lane,
Horwich,
Bolton, Lancs.

FINANCIAL TIMES

Monday February 7 1983

U.S. CONGRESS RESISTANT TO DEMANDS FOR BIG JUMP IN QUOTAS

IMF set to expand resources

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE WORLD'S financial leaders will this week try to bridge a substantial gap between U.S. proposals for increasing the reserves of the International Monetary Fund and those of most other countries.

At the fund's interim committee meeting in Washington on Thursday, ministers will try to agree an increase in the fund's quota subscriptions from proposals which range between increases of about *$25bn and $40bn or more.*

In preliminary meetings earlier in the week leaders of the less developed countries the group of 24 will probably argue that the size of the fund should be increased by perhaps $60bn to a total of about $125bn.

U.S. officials have privately conceded that a large increase in the size of the fund is necessary if it is to continue its work in preventing a major debt default by one of the less developed countries.

But the U.S. Congress, which would need to ratify any increase, continues to be hostile to the idea of a very large rise It believes this would be the international equivalent of "printing money."

The U.S.'s negotiating position is that quotas should rise from the present Special Drawing Rights (SDR) 61bn ($65.9bn) to SDR 85bn. However, the UK wants quotas to be increased to at least SDR 92bn and would be sympathetic to the de*mands of some other countries that* the new total should be SDR 100 an increase of 64 per cent.

The U.S. Administration will probably be pushed "reluctantly" to a somewhat higher figure than its opening bids, hoping that Congress will not precipitate a major international embarrassment by refusing to rectify it.

There will also be keen argument in the background of the official proceedings about whether the fund's assistance to member countries should continue to be allowed as much as four and a half times the size of their quotas, once it has been increased.

If this proportion remained as it is now while the size of the fund was increased, major debtor countries such as Mexico could immediately apply for extra loans. In theory, at least, they could quickly mop up a large part of the fund's increased resources and leave little over for any future crisis.

*The U.S. will argue that the assis*tance available to members should be a smaller proportion of their (increased) quota subscriptions, although maximum loans would remain about the same in money terms. This idea is likely to be broadly acceptable to other industrial countries, including the UK and West Germany, although the details remain to be argued out. Less developed countries, however, will oppose any restriction on their ability to borrow from an enlarged fund.

The meeting will also have to discuss changes in the proportionate size of members' quotas to reflect their altered economic importance. The shares of Japan and of West Germany are likely to increase and that of the UK to fall. However, it is not expected that the UK will be toppled from its position as the second largest contributor to the fund after the U.S.

Discussions about increasing the size of quotas follows agreement reached by the 10 major industrial powers the group of 10 in Paris last month to enlarge and modify their General Arrangements to Borrow (GAB), which previously were a rich nations' "mutual assistance fund."

The GAB is to be SDR 17bn ($19bn) compared with the previous SDR 6.4bn. It will also be available as a general reserve for the fund instead of being exclusively for the group of 10.

The $500bn poker game, Page 12

Boost for Gandhi in Delhi elections

By K. K. Sharma in New Delhi

PRIME MINISTER Indira Gandhi's Congress (I) party was last night heading for a sweeping two-thirds victory in elections to Delhi's metropolitan council and municipal corporation, giving it a much-needed shot in the arm after its humiliating defeats in South India last month.

With more than half the results announced, the Congress (I) maintained its two-thirds lead over such powerful rivals as the Bharatiya Janata Party – successor to the Hindu nationalist Jana Sangh – and the *Janata Party.*

Jubilant Congress (I) party spokesmen quickly pointed out that the South India elections – in which Mrs Gandhi's party lost the states of Andhra and Karnataka – could not be said to have set a national trend and claimed these were due to local developments like the popularity of regional parties.

Opposition parties said the Delhi poll could not be said to be representative as it was not a full-fledged election. The capital does not have a legislature like other states and *Delhi's metropolitan council* has limited powers.

Nevertheless, the Delhi elections were being closely watched by all parties to see the extent of the swing against Mrs Gandhi. Both she and her son, Mr Rajiv Gandhi, who was appointed a general secretary to the Congress (I) last week, campaigned hard in Delhi.

The result of the elections in Delhi considerably enhances Mrs Gandhi's tarnished image shortly before the 100-nation non-aligned summit is held in New Delhi next month.

The result do not lessen the impact of the serious South India defeats, but they give Mrs Gandhi the chance to reorganise the shaken Congress (I) party and improve the Government's image when she faces the major challenge of general elections to parliament next year.

BMW turns down chance to buy BL's Jaguar subsidiary

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BMW, the West German sports saloon manufacturer, considered buying BL's Jaguar subsidiary, one of its main rivals at the top end of the car market.

But the W. German group decided not to make an offer. The failure to find a buyer for Jaguar has been disappointing for the UK Government, which hoped to achieve the privatisation of some part of BL, the state-owned vehicles group, before the general election.

The BL corporate plan, an abridged version of which is expected to be presented to the House of Commons this week, apparently indicates there can be no early return to the private sector of any of the *group's mainstream businesses.*

The best that can be hoped for, it seems, is that Honda of Japan might agree to take a shareholding in a joint venture to make the XX, the 1985 replacement for the Rover saloon, on which Honda and BL engineers have been working for many months.

When presenting the half-year results in September, Sir Michael Edwardes, then chairman, said BL was making good progress towards profitability.

He added that the board felt it should be possible to seek private-sector equity investment in the mainstream vehicle operations in the next two years.

But he said: "There will not be a frenetic search for private investment – or an irresponsible one."

Jaguar's improved performance – production went up by half from 14, 677 to 22, 042 last year – almost certainly put it back into the black at trading level in 1982.

Some observers in the City of *London, believe it has a long way to* go before it could be considered a viable proposition for sale to UK private investors.

It would hardly be possible to draw up an attractive prospectus for sale at such a critical time in the company's history, the observers maintain.

Of the other companies frequently mentioned as candidates for potential sale by BL, Unipart, the spare parts business, is widely considered in the City to be too closely linked with the volume cars business to stand alone.

Some senior managers at Land-Rover-Leyland, BL's commercial vehicle division, argue that, rather than quickly sell off profitable bits such as Land-Rover to the group's competitors, the Government would do better to allow the whole business to be nursed back to complete health for sale to UK private investors in the longer term.

Last September Sir Michael also mentioned that BL would not need all the £150m previously requested for the 1983-84 financial year and that there would be a "meaningful reduction" from this figure.

Significantly, the Public Spending White Paper, published last week, left blank the cash to be allocated to BL for 1983-84.

British Steel chairman may take over as head of coal board

BY JOHN ELLIOTT IN LONDON

MR IAN MACGREGOR, chairman of the British Steel Corporation, has emerged as the front runner to take over the chairmanship of the UK's National Coal Board from Mr Norman Siddall, who retires at the end of June.

The Prime Minister, Mrs Margaret Thatcher has personally asked Mr MacGregor, aged 70, to make the move because she believes his tough, businesslike approach to both commercial and trade union problems will help put the NCB on a new footing.

Mr MacGregor is believed to be attracted by the prospect of the challenge but he has not yet agreed and no formal offer has been made. He spent the weekend in the U.S. with his family who have been urging him not to take on any more strenuous appointments.

If he were to move, the British Government would have to renegotiate the controversial bonus transfer deal of up to £1.8m which it struck nearly three years ago with Lazard Frères, the New York bank where Mr MacGregor was a senior partner.

Mr MacGregor is paid a basic salary of £48,500 a year at the BSC, having waived recent salary rises, and will share in any Lazard Frères bonuses. Mr Siddall is paid £59,000, having just received a controversial 15 per cent pay rise.

The idea of Mr MacGregor's taking over the NCB – and perhaps keeping the BSC chairmanship as well – first emerged last year when Ministers wanted a tough chairman to face up to Mr Arthur Scargill, the mineworkers' union president.

Mr Scargill said: "Taking into account the fact he has been an unmitigated disaster at British Steel, it would seem some such ap*pointment would be in line with the* Government's policy, which is apparently to destroy British industry.

"We shalldefend our pits and our jobs and work as hard as we can to elect a Labour Government and replace this disaster that has the audacity to call itself the government of Britain."

UK unions move to curb car imports

Continued from Page 1

ment." It calls for a "massive campaign of selective import control measures."

The immediate target is General Motors' "S" car, being produced in Spain and intended for sale on the British market early this year.

Talks between the TGWU and Vauxhall, GM's British subsidiary, have been going on for some *months in an attempt by the union* to force the company to produce the "S" car in the UK.

Last week, the company proposed increased production schedules in its UK car plants to lift individual wages in an attempt to ward off union pressure. TGWU officials meet this week to consider the company's proposals, and the union has called a meeting on February 25 of all unions in the automotive sector to discuss a possible ban if the company's proposals are thought inadequate.

The Coventry meeting, addressed by Mr Ron Todd, senior national officer of the TGWU, and Mr Grenville Hawley, the union's automotive secretary, also discussed imports by Talbot

UK water workers reject latest offer

BY PHILIP BASSETT IN LONDON

LEADERS of Britain's 29,000 water workers yesterday rejected the first form of a new pay offer in resumed talks with employers as the country's first all-out national water strike entered its third week.

Negotiations between the water unions and the National Water Council resumed under the chairmanship of Mr Pat Lowry, Chairman of the Advisory, Conciliation and Arbitration Service after an interval of almost two weeks.

After the disclosure last week by Mr Len Hill, chairman of the employers' negotiating committee, that a further £5 to £10 a week was available on top of the increases in the employers' current offer of 7.3 per cent over 16 months, the employers put forward a detailed document laying out the terms of their revised proposals which would increase earnings while broadly maintaining the shape of the present offer.

Neither side would comment last night as the talks progressed, but it was understood that the document concentrated on methods of improving earnings, such as more flexible working

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	12	54	Dubrovnik	Sn	2	36	Malaga	S	15	59	Salzburg	C	1	34
Akrotiri	R	11	52	Faro	F	14	57	Malta	F	13	55	Seoul	C	6	43
Algiers	F	18	64	Florence	C	11	52	Manila	S	33	91	Singapore	S	32	90
Amsterdam	C	5	41	Frankfurt	Sl	1	34	Miami	C	21	70	Stockholm	C	-2	28
Athens	S	9	48	Funchal	C	16	61	Milan	C	1	34	Strasbourg	R	4	39
Bahrain	C	18	64	Geneva	Sn	2	36	Moscow	Sn	-3	27	Sydney	S	27	81
Bangkok	S	31	88	Gibraltar	C	13	55	Munich	C	2	36	Taipei	R	16	61
Barcelona	F	15	59	Guernsey	F	7	45	Nairobi	–	—	—	Tangier	F	14	57
Beirut	R	12	54	Helsinki	S	-10	14	Naples	R	10	50	Tehran	–	—	—
Belgrade	Sn	1	34	H. Kong	C	15	59	New Delhi	C	28	58	Tel Aviv	R	13	55
Berlin	S	2	36	Innsbruck	C	0	32	New York	C	0	32	Tenerife	S	19	66
Biarritz	C	7	45	Inverness	F	3	37	Nice	F	13	55	Tokyo	S	15	59
Blackpool	C	5	41	Istanbul	C	5	41	Oporto	F	12	54	Toronto	Sn	4	39
Bordeaux	C	7	45	Jersey	C	8	46	Oslo	Sn	0	32	Tunis	F	16	61
Brussels	R	3	37	Jo'burg	S	28	82	Paris	R	4	39	Valencia	F	16	61
Budapest	Sn	-2	28	Las Palmas	S	18	64	Prague	C	3	37	Venice	C	1	34
B. Aires	S	31	88	Lima	S	29	85	Reykjavik	C	-5	23	Vienna	C	1	34
Cairo	S	17	63	Lisbon	C	12	54	Rio de J'o	C	32	90	Warsaw	F	0	32
Cape Town	–	—	—	Locarno	C	1	34	Rome	R	11	52	Zurich	Sn	1	34
Caracas	S	28	82	London	R	5	41								
Casablanca	C	16	61	Los Angeles	C	17	62								
Copenhagen	F	2	36	Luxembourg	Sn	0	32								
Corfu	C	8	46	Madrid	F	12	54								
Dublin	S	5	41	Majorca	F	16	61								

Readings at mid-day yesterday:

C—Cloudy D—Drizzle F—Fair Fg—Fog H—Hail R—Rain S—Sun Sl—Sleet Sn—Snow T—Thunder

Rand controls move

Continued from Page 1

added, had increased in that period by over rand 2.5bn ($2.34bn).

But as a result there had been a renewed acceleration in the rate of increase of the broad money supply, to 17.4 per cent for 1982. This would need careful watching in the long run, he said. This flow of funds would create problems unless preventative measures were taken now.

This abolition of exchange controls applies only to non-residents. However, Mr Horwood also announced the relaxation of some exchange control restrictions for residents, including an increased travel allowance for South African tourists (from Rand 4,000 to 6,000 a year) and for business trips. Emigrants will be allowed to transfer Rand 100,000 through the new unitary exchange rate.

● **Mary Ann Sieghart writes from London:** Reaction from the City of London last night was enthusiastic. Mr Oliver Baring, a partner in brokers Rowe and Pitman, said, "I think it is a tremendous step in the right direction. They missed the boat last time round when the gold price as high and the balance of payments was in surplus. Now South Africa can stand on its own feet for the first time since Sharpeville. I think *it will be welcomed everywhere."*

France set to relive war dramas in trial of Barbie

By David Marsh in Paris

FRANCE looks set to relive in coming months all the horror and heroism of war-time occupation by Germany, following the dramatic return on Saturday night of Herr Klaus Barbie, the former Lyons Gestapo chief who now faces trial for "crimes against humanity" committed 40 years ago.

Placed in the hands of French justice after weekend expulsion from his post-war refuge in Bolivia, Herr Barbie, aged 69, is the most notorious Nazi war criminal to be brought before a court since Adolf Eichmann was hunted down in Argentina and hanged by the Israelis in the early 1960s.

By a sombre irony, Herr Barbie spent his first night back on French soil under lock and key in the centre of Lyons in the austere Fort Monthuc jail. This is the former military prison where he is accused of having tortured and killed detainees during the war.

His seizure by the French, which comes shortly after a wave of grim war reminiscences in the press sparked by the 50th anniversary of Hitler's rise to power, has sparked extraordinary emotion.

After years of apparent invulnerability in Bolivia, Herr Barbie was expelled by the country's new left-wing Government after being arrested on a fraud charge on January 25. Both France and West Germany had launched bids to extradite him.

The war-time police chief, named the "Butcher of Lyons" because of the atrocities in the city in 1943 and 1944, has been twice (in 1952 and 1954) condemned to death in his absence by French military tribunals on charges which have now lapsed.

He is accused of being responsi*ble for the deportation and execu*tion of thousands of men, women and children during the Nazis' elimination of French Jews and members of the Resistance movement.

Most notably, he is thought to have been directly involved in the killing in 1943 of M Jean Moulin, the legendary French resistance leader, who was turned over to Herr Barbie for interrogation after being betrayed and captured in June that year.

Said to be weary after his nearly 24-hour flight across the Atlantic – with a stop in French Guyana – Herr Barbie was visited for two hours in the Fort Montluc prison on Saturday night by the examining magistrate, M Christian Riss. He was formally charged with "crimes against humanity, assassinations, tortures, arrests, detentions and arbitrary impoundments."

His trial before a French civil court and jury – which can hand down a maximum penalty of life imprisonment – may throw France into a period of soul-searching over darker aspects of war-time history.

Many witnesses of the German occupation will be called to testify. Herr Barbie's own testimony may cast light on long hidden secrets, such as the circumstances involving the betrayal of M Moulin and other Resistance leaders 40 years ago. These have never been fully explained.

M Pierre Mauroy, the Prime Minister, said at the weekend that the Government's decision to bring back Herr Barbie was made not in a spirit of vengence but in a desire to see justice done.

To protect the former Gestapo chief from possible assassination attacks, a strong security guard is being mounted at Lyons. The widow of M Moulin at the weekend herself raised the possibility of an attack on Herr Barbie, and a woman carrying a gun hoping to shoot the newly arrived prisoner was arrested at Lyons airport on Saturday night.

Japan drafts new law on restructuring

Continued from Page 1

dustry could commission another to produce specific products on its behalf.

MITI sees these as ways of reducing costly over lap rather than as a route towards the creation of monopolies. In the long run it claims its proposals will enhance competition by keeping a healthy number of companies alive in threatened industries.

MITI's draft legislation is expected to be approved by the Cabinet later this month and to be presented to the Diet some time after approval of the budget. The new law, like its predecessor, would be valid for five years and will be capable of revision to include new problem in*dustries if occasion rises.*

THE LEX COLUMN

Open floodgates on the Cape

The abandonment of South Africa's creaking exchange rate structure is a step of remarkable audacity. If it succeeds, the country may avoid a damaging repetition of the build-up in domestic liquidity which was such a dramatic feature of the last bull market in gold. Set against that, however, is the risk of a serious outflow, not only of overseas portfolio funds, but also of direct investment capital.

The measure, which comes into force today, will do away with the historic discrepancy between the commercial rand, through which current account items were channelled, and the financial rand, which was used to transact capital items. The discount of the financial currency has not only been a way of attracting foreign investment into the country. It has also provided a fair reflection of the particular political risk which such an investment implies.

Gold price

By scrapping this system, South Africa is making a political point at a time when the strength of gold price will, it hopes, mitigate the financial consequences. The country's recent application to the International Monetary Fund for a facility of SDR 1.1bn was already a move in the direction of full financial respectability and the men from the IMF, known to look on artificial exchange rate structures with disfavour, have presumably played a part in the week-end decision.

There are, however, also sound economic reasons for shifting to a free-market exchange rate. The recent rise in the gold price has strengthened the commercial rand and encouraged importers to arrange trade finance with unconvered foreign currency loans. This has had the effect of bloating domestic liquidity when money supply is already growing at an uncontrollable annual rate of almost 20 per cent.

The convergence of the two rates, which can be expected to follow from the government's action, will squeeze importers hard and should also drive up long-term domestic interest rates in order to protect South Africa's capital account. Whether this recipe of monetary discipline is sufficient to contain money supply will be determined very largely by the response of fi*nancial markets.*

The Reserve Bank of South Africa will be presumably attempting to establish a unified rand rate somewhere between Friday's two closing prices. A level of around 87 U.S. cents, which compares with a commercial rand rate of 92.90 at the end of last week, looks to be roughly what the authorities are aiming at.

The Reserve Bank has amply prepared itself for the need to provide support. Around R2bn of foreign currency loans have been repaid in recent months, foreign exchange reserves are rising, and it can always arrange further swap facilities for its rapidly appreciating gold reserves. The current account of the balance of payments has moved into slight surplus while the capital account is buoyed up by the revived investment interest in gold.

The financial markets are almost certain to open today in Johannesburg in a state of blind chaos. Yields on long-term government securities currently stand at around 11½ per cent, roughly in line with U.S. rates, despite a local inflation rate of about 14 per cent. Fears that the abundant liquidity which has supported prices may now evaporate and that rates may need to rise to defend the rand could well drive yields above the 12 per cent level. Many domestic investors have bought government stock on borrowed money during the recent bull market, and they will probably be squeezed.

Foreign investors

Of more interest to foreign investors will be the movement in the price of gold mining and other natural resources shares. London saw some heavy selling of De Beers and other equities on Friday, as rumours of a change swept round the market, and – on the face of it – there seemed good grounds for selling.

Dividends, after all, have always been paid through the commercial rand account while funds raised from the sale of equities have been remitted through the financial rand. So, this morning, investors will be faced with the prospect of an increased capital profit and, in foreign currency terms, a lower dividend.

Longer term, however, a weakening rand should boost the local currency earnings of the gold mines, which would than be reflected in a rising dividend stream. So, particularly at a time when the view of the *dollar gold price is predominantly* bullish, many foreign investors may prefer to sit it out.

Another source of comfort for non-resident investors may be the lower volatility of the market in foreign currency terms. The financial rand has historically been very sensitive to relatively small movements in supply and demand – the discount to the commercial rand has swung between nine and thirty per cent over the past year – and the establishment of a single currency should give UK investors more confidence about the likely sterling proceeds of a future sale. Conversely, of course, the markets may become more volatile in domestic currency terms as the financial rand cushion is removed.

The scale of overseas portfolio investment in South African industrial shares has fallen so sharply in recent times that the authorities may not be too concerned about the threat of capital profits being taken by foreigners.

Restrictions

A greater worry will presumably be that foreign companies, which have hitherto been forced to take the proceeds of asset divestments out through the financial rand, may now be tempted to realise capital at an enhanced exchange rate. Over the past few years, several British companies have sold South African interests in order to replenish cash flow deficits at home. At a rough guess, corporate investment by non-residents in South Africa is currently worth around R330bn.

Relieving the restrictions on foreigners is of course only the first step towards exchange control freedom in South Africa. The underlying liquidity problems will not be fully resolved until the authorities open the way for outward investment by residents. Last year, it is estimated that domestic institutions placed around R1bn over and above their requirements in the government securities market and in 1983, with institutional cash flow expected to rise by roughly a fifth, the situation is unlikely to ease.

The South African authorities have recently been moving steadily in the direction of financial freedom. The decision almost exactly a year ago to unpeg commercial lending rates from the official bank rate was, while politically motivated, a sign of the changing times. But the Reserve Bank will presumably want to study carefully the consequences of its week-end decision before taking what is potentially the most significant step of all.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Monday February 7 1983

A bond market to daunt even the Great Gatsby

BY ALAN FRIEDMAN IN LONDON

"IF THE *Great Gatsby* himself came to Europe to sell bonds this week I reckon he would have a hard time. The market remains as soggy as it has ever been."

This reference to Scott Fitzgerald's erstwhile hero comes from one of the Euromarket's leading new issue managers and is rather apt. The Eurobond market is in a mess: investors are on strike, waiting for dealers to drop prices even further, and fears over stiffening short-term dollar interest rates are rampant.

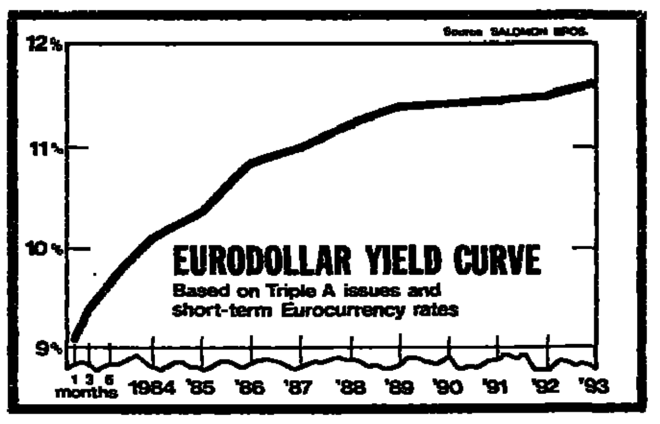
These fears do not seem unreasonable. Last week many Eurobond investors (including the all-important Swiss) stayed away until Thursday. By Friday, however, the investors decided the U.S. Treasury auction had not gone terribly well. The pattern of U.S. Treasury bond futures contracts last week (based on a theoretical 20-year bond for March delivery) also suggested expectations of hardening interest rates.

As one banker put it: "With the U.S. budget deficit and an apparent economic recovery in the States I don't see how rates can come down *right now.*" *Indeed the consensus* view in Europe is that rates will be "sticky" for the next few weeks, and a few weeks is quite a long time in this market.

Meanwhile, the overhang of unsold new issues continues to confound the bond houses. The answer last week was to drop prices still further, bringing the average fall on some of the mispriced low coupon January issues to as much as five or six points over the last fortnight. The price decline on seasoned paper was as much as two and three points in this same period.

Still, the investors stayed away. A few decided to bargain hunt for a yield such as 11.1 per cent on the Texaco 9¾ per cent 1990 issue at a price of 94 (5¾ points off the issue price), or perhaps a yield of 12.5 per cent on the new 11¾ per cent Donaukraftwerke 1993 bond at 96 (a four-point discount).

These bargain hunters were the exception rather than the rule, however. *One major Swiss portfolio* manager summed up his view of the market this way: "If I understand Mr Volcker and the Fed, we have had a good run and now we will have a pause. The U.S. monetary aggregates are up significantly and rates are stiffening. In my view the smart money should buy bargain paper as the rates stiffen a little more, maybe another ½ point, in the expectation that rates will fall again later this year."



Apart from the poorly performing Donaukraftwerke deal there were only two other dollar bonds last week – a $200m 10-year floating-rate note for Spain (¼ per cent over six-month Libor) and a $50m 15-year 7 per cent convertible issue for Northern Telecom.

Lehman Brothers Kuhn Loeb *managed to outbid the market for* the Spain floater – a disguised syndicated credit by most accounts – and the front-end fee is said to be 1½ per cent. *"That's not enough to* make it work for my bank," said one disapproving banker. Lehman is understood to be underwriting $60m of the $200m deal, meaning that unless it sells well this could be an expensive issue for the lead-manager. On Friday it was quoted at a discount of 1.40 per cent.

The Northern Telecom deal, led by Morgan Stanley, was in better shape, largely because of an investor redemption option at 104 only 100 days after completion of the deal; the quote on Friday was 99 to par. The Spanish floater's sweetener, an investor redemption option at par after five years, could help this deal out eventually, but it is too early to judge the option's impact

The Euro D-Mark bond sector was down by nearly a point last week, plagued by the burden of new issues, a weak New York bond market and uncertainty resulting from the forthcoming federal elections. *No new D-Mark bonds are expected* until next Friday, when SNCF, the French railway, comes with a DM 100m issue through Commerzbank.

From Tokyo comes word of a Y15bn 10-year 8.3 per cent Samurai bond for Denmark (Samurais are issues for foreign borrowers in the Japanese market), yielding 8.41 per cent at an issue price of 99.45. Daiwa Securities is lead-manager.

The yield on Denmark is better than the 7.9 per cent available on 10-year Japanese Government bonds. Prices of many older Samurai bonds were down around a point on the week as investors switched from seasoned to newer (better yielding) paper.

Wall Street prices

OWING to production difficulties in Frankfurt, closing prices on Wall Street – New York Stock Exchange and the American Exchange – were not included in last Friday morning's international edition of the Financial Times. Instead, a limited prices service appeared. We regret this, *and are including in this morning's* edition (pages 18 and 19) full closing prices at the end of trading on Friday last, February 4.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Donaukraftwerke ‡	48.6	1993	10	11¾	100	Salomon Bros., Creditanstalt Bankv., SBCI	11.750
Spain †‡	200	1993	10	5¼Ø	100	Lehman Bros. Kuhn Loeb	–
Nthn. Telecom §	50	1998	15	7	100	Morgan Stanley, Paribas	–
D-MARKS							
Mitsui OSK Lines ‡	100	1988	5	7¼	99¼	Commerzbank	7.435
Hydro-Quebec ‡	200	1993	10	8	99	West LB	8.150
Bk. of Tokyo ‡	100	1990	7	7¼	99	Deutsche Bank	7.438
Bque. Indosuez ‡	100	1990	7	7¾	100	DG Bank	7.750
Ferrovie ‡	150	1988	5	8¾	99½	Commerzbank	8.878
Incor ‡	100	1988	5	9	100	West LB	9.000
SWISS FRANCS							
Eisai Co. **§‡	*80*	*1988*	5	3⅝	*100*	*CS*	3.625
Hospital Corp. of Am. ‡	100	1993	10	5	100	SBC	5.000
Fujitsu §‡	100	1993	10	3½	100	CS	3.500
Fujitsu **§‡	150	1988	5	3½	100	CS	3.500
Hilti ‡	70	1993	10	5	100	CS	5.000
Sharp Corp. §‡	100	1993	10	3½	100	CS	3.500
Sharp Corp. **§‡	100	1988	5	3½	100	CS	3.500
SWISS FRANCS (cont)							
Daiwa House **§‡	100	1988	5	5⅝	100	UBS	3.625
Robt. Bosch **‡	50	1987	6	4¾	100	UBS	4.750
Japan Ex-Im Bank **‡	150	1988	5	4⅞	100	UBS	4.875
Nagoya Railroad **‡	40	1988	5	5¾	100	UBS	5.750
Mitsubishi Electric **§	150	1988	5	3⅝	100	UBS	*
Towa Sankiden Corp. **§	20	1988	5	4½	100	Banca del Gottardo	*
Manitoba Prov.	100	1993	10	*	*	UBS	5.125
GUILDERS							
ECSC ‡	100	1998	15	7¾	100	Amro Bank	7.750
Austria **‡	100	1988	5	7½	99½	ABN	7.624
ECUs							
Credit Foncier de France ‡	50	1993	10	11⅝	99½	Credit Lyonnais, Soc. Gen. de Banque	11.712
SEK							
	60	1995	12	11¾	*	Kredietbank Intl.	*
Ireland ‡	30	1991	8	12½	100	SG Warburg, Bque. Intl. à Lux., Amro Bank	12.500
YEN							
New Zealand ‡	20bn	1993	9	8.1	99½	Yamaichi Secs.	8.341
Denmark ‡	15bn	1993	9	8.3	99.45	Daiwa Secs.	8.558

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. Ø Minimum. § Convertible. ¶ With warrants. ‖ For three years. Note: Yields are calculated on AIBD basis.

Eurocredit market comes back to life

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BORROWERS in the Eurocredit market have swallowed their pride and are learning to live with higher margins. As a result the market, which stagnated throughout most of January, has come to life again.

Last week brought progress with several new deals in Europe, the Far East and Australia, but a feature of all of them was that terms are markedly tougher than before.

Sweden is following up its recent $1.2bn floating-rate note with a $1bn Eurocredit which will complete its floating-rate foreign borrowing programme for this year. The deal has been mandated to Chase Manhattan, Morgan Guaranty, Bank of Tokyo and Svenska Handelsbanken, who will be forming a lead management group early this week.

Unlike the $1.2bn package obtained by Sweden last spring and which was largely aimed at U.S. regional banks, the emphasis on this deal will be on the Eurocurrency portion, which is expected to make up at least 60 per cent of the total. It will bear interest at a margin of ½ per cent over Libor for eight years with a grace period of five years, and an alternative margin of 0.2 per cent over U.S. prime rate.

Last year's package bore margins of only ⅛–¼ over U.S. prime and ⅜–½ over Libor, but with this latest deal Sweden is still raising funds at a margin well below Denmark, which is paying ½–⅝ per cent over Libor or ¼ over prime.

Other large deals already announced on higher margins last week included $1bn for Indonesia, $500m for the Korea Exchange Bank and a $1.2bn package for the State Electricity Commission of Western Australia. Expected soon are deals of $500m for Greece and up to that amount for Ireland, although no decision on the latter credit is likely before this week's budget.

It remains to be seen how smaller banks will respond to the new pricing levels set by these borrowers when the loans are offered in general syndication. So far the only indication has come from the $1.3bn credit for Denmark, which has already raised some $150m to $160m in the market. Syndication is not due to end till Wednesday, but already one interesting feature is that a positive response has come from U.S. regional banks.

It had been thought that these banks would opt out of international lending in the wake of the Latin American debt crisis, but in Denmark's case the opposite appears to be true. Regional banks have even shown a willingness to lend for longer than their normally preferred five-year maximum.

Despite the emergence of higher margins the pricing of Eurocredit deals remains rather difficult. Rather than feel its way in the Eurocredit market, Spain last week opted for a $200m floating rate note, but a large $250m credit did emerge for *Fenosa, the private-sector Spanish* electric utility. Led by Bank of America this provides for a margin of ⅝ per cent over Libor for seven years or ⅜ per cent over prime.

In Latin America the large loans for Mexico and Brazil are now within a stone's throw of reaching their targets of $5bn and $4.4bn respectively. Mexico had raised about $4.8bn by the end of last week, although considerable uncertainties remain about the country's handling of its $14bn private sector debt.

Brazil's Central Bank Governor, Sr Carlos Langoni, is to meet leading bank creditors in New York today to review the progress of his country's rescue package. Commitments to the new loan stood at $4.3bn at the end of last week, while two other parts of the package – the refinancing of maturing debt and the extension of short term trade credits – are also going well.

The court case between Nordic Bank and Venezuela's development agency CVF was adjourned till February 17 in New York on Friday. Nordic is suing CVF for non-payment of debt service amounting to $2.65m, a sum which Venezuela has again promised to pay shortly.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Wall Street divided over outlook for interest rates

TOMORROW the Federal Open Market Policy Committee meets for what is probably its most important work of the year.

The FOMC will review last year's monetary record and set new guidelines for the current year which Mr Paul Volcker, the Federal Reserve Board chairman, will then deliver to Congress on February 16.

The Committee faces a very difficult task. On one hand it must not choke off an economic recovery with too restrictive a monetary policy. On the other, it must not re-ignite inflation. To make matters harder, it is working with a range of money measures which are at present shot to pieces.

U.S. INTEREST RATES

	Week to Feb 4	Week to Jan 28
Fed Funds wkly. av.	8.59	8 44
3-month Treas. bill...	8 15	8.00
3-month CD	8 60	8 40
30-year Treas. bond	11.29	11.05
AAA Utility	12.25	12.13
AA Industrial	12.00	11.78

Source: Salomon Bros. (estimates). In the week to January 26 M1 rose by $2.7bn to $485.9bn.

The new money market accounts introduced by banks in mid-December and early January have created acute distortions in the basic money supply measures, M1 and M2.

The full impact of the new accounts will be seen in the January M2 figure to be published Friday. Mr Volcker went out of his way in congressional evidence last week to prepare the markets for an expected $50bn jump in the M2 figure. *He also attempted to calm* market fears by indicating that the jump will not concern the Fed or cause an immediate tightening of the monetary reins.

The Fed announced on Friday that it will re-define its broader money aggregates starting this week. The market expects that the Fed will remove the new bank accounts from M2.

This should make it somewhat easier *for the FOMC to* set new targets for the existing measures although it might have to allow broader targets to accommodate these distortions.

The FOMC is also expected to underline its desire to emphasise more the broader measures such as M3.

Wall Street's economists are divided over the interest rate outlook. The pessimists, who believe a sharp rebound in bond yields has already started, hold out little hope for further dramatic declines in short-term rates. Last week they were in the ascendancy. Their case is based on the increasingly frequent signs that the recession has bottomed out. No one is ready to say the recovery is here but they took the sharp decline in the December unemployment rate announced on Friday as further evidence of an upturn.

With a recovery, they postulate, will come higher short-term rates, greater concern about a re-kindling of inflation, continuing concern about the Federal budget deficit (even though a sharp recovery would probably reduce the deficit), accelerating monetary growth, and a further heightening of the dilemma for the Fed. All in all, investors will be actively cautious.

The not-so-pessimistic, who *retain a marginal majority*, argue, as Mr Philip Braverman of Chase Manhattan does, that "the alternative view should eventually predominate."

They believe that lower interest rates are virtually assured by, among other factors, the world recesion and the need to restructure international credits. They expect further deflation and a continuing high-level of bankruptcies and point to high real interest rates and weak private short-term borrowing as evidence for their case.

Mr Braverman accepts that for the moment the jury is still out. Last week saw a further decline in bond prices and, for the second week running, a noticeable increase in short-term rates as the market chewed on and eventually somewhat reluctantly swallowed the record $14.5bn quarterly refunding package.

Against this massive supply of new treasury issues and further gains in short-term rates, prices of Treasury and corporate bonds fell and new corporate issues all but dried up.

Paul Taylor

RENEWABLE BONDS

France offers savers first innovation for 60 years

Officials at the French Treasury are poring over details of a new brand of state deficit-financing instruments to be launched soon. The issues represent the first innovation in state financing for over 60 years, eloquently underlining the lack of imaginative sparkle on French capital markets over the past few decales (and also, it must be said, the lack of large budget deficits to be financed).

The rabbit to be plucked out of the hat of M. Jacques Delors, the Finance Minister—a key advoate of improving the performance and image of the domestic financial markets—is called the "renewable" Treasury bond.

In line with the Socialist government's strategy of prodding capital funds into longer-term channels, the aim of the new product is to divert into budgetary financing some of the billions of francs which French investors traditionally hold in short-term savings deposits.

Treasury officials say their search for innovation has been prompted partly by new savings products offered in the UK over the past few years. Although the new bonds will not offer the direct indexation of the British "Granny bonds," *they will give* investors more protection against erosion of capital then they at present enjoy.

The idea is to launch bonds with a maturity of around six years between the classical state bonds of six years and upwards (the latest issue, for instance, last week, was for eight years), and the shorter-term Treasury bonds of less than five years sold to the public since the First World War. These were the last "new" product offered to the market.

The new issues will allow investors to "renew" their commitment after three years by switching to further issues at market-oriented rates of interest. This will ensure that yields offered to the public do not get too far out of line with the prevailing inflation rate. According to Treasury officials, this should increase the new instruments' attraction compared with the present Treasury *bonds sold to the public.*

Additionally, the "renewable" issues will have a secondary market maintained by the Caisse des Depots et des Consignations. This is the giant state-controlled financing organisation which runs the savings bank network. It will play a major part in marketing the bonds.

Emphasing the experimental nature of the project, officials are giving no figures for the likely amount that could be raised by the issues, which will be launched some time after the municipal elections next month.

David Marsh

Downturn for CP Enterprises

By Robert Gibbens in Montreal

WORLD recession and low resource product prices brought sharply depressed 1982 profits for Canadian Pacific Enterprises, the non-transportation arm of Canadian Pacific. Net earnings were C$150m (U.S.$121m), or C$1.05 a share against C$405m or C$2.87 in 1981.

Poor performances from resource subsidiaries such as Cominco and forest products subsidiaries such as Great Lakes Forest Products and CIP, plus some manufacturing operations such as Algoma Steel, were prime reasons for the setback.

Fourth quarter net profits of CP Enterprises, which is 70.5 per cent owned by CP, tumbled to C$14m from C$89m a year earlier.

The company said nothing about 1983 prospects but the pulp and paper industry expects only a modest recovery from the deep recession of 1982.

Membership review for HK exchange

BY ROBERT COTTRELL IN HONG KONG

HONG KONG's Securities Commission has established a special committee to review criteria for membership of the Territory's forthcoming unified stock exchange. At present Hong Kong has four stock exchanges, one of which is effecively dormant. Decisive steps towards unifying them were taken in 1980 when enabling legislation was enacted, and the new exchange—to be called the Stock Exchange of Hong Kong—was incorporated. An inaugural committee was elected in 1981, and the unified exchange expects to open for business in April 1985.

The special committee is likely to be of particular interest to overseas brokers, whose prospects for membership of the new exchange have been obscured by shifts in local sentiment over the last two years. *The 1980 legislation* relating to the new exchange reflected the practice then of the four existing exchanges to restrict full membership to local individuals. Overseas brokers were allowed associate status, with limited rights.

Over the last two years, however, individual exchanges have in some cases varied their rules to admit to full membership both overseas brokers and corporate entities. Hong Kong has an active overseas broking community, including leading *British, American adn Japanese* houses. The position is complicated further by the ability of individual exchange members to assign the benefit of a seat to a third party, and by tie-ups between Hong Kong brokers and overseas interests. The most notable example of the latter is the 25 per cent equity interest held by America's Merrill Lynch in Hong Kong's largest broker, Sun Hung Kai Securities. Early in 1982 Mr Woo Hon Fai, chair*man of the unified exchange*, indicated that the attitude towards overseas members might be more liberal than was foreshadowed in the 1980 legislation.

Tenneco Inc. chemical adviser

● TENNECO INC has elected **Mr Raymond H. Marks** as senior vice president and **Dr Edward J. Bernacki** as vice president. Mr Marks will serve as an advisor to senior Tenneco management on chemical affairs and will carry out special assignments. He will continue as a director of Albright and Wilson, a Tenneco subsidiary, and will have his office in Saddle Brook, N.J. Dr Bernacki will continue as the Tenneco Inc medical director.

● **Mr James A. Wimbush**, who joined COLLABORATIVE RESEARCH, INC. as president and chief executive officer has been elected a director and a member of the executive committee of the board. Prior to joining Collaborative Research, Mr Wimbush was president of Ethicon, Inc., a subsidiary of Johnson and Johnson Co.

● K MART CORP has elected former Michigan Supreme Court chief justice **Mrs Mary S. Coleman** a director. She was elected to the Supreme Court in 1973 and retired in 1982.

● **Mr J. Timothy Corcoran** has been named vice president of strategic planning for United Technologies' CARRIER INTERNATIONAL CORP. He previously served as executive assistant to **Mr Harry J. Gray**, United Technologies' chairman and president.

● Following the success of the offer by the North Broken Hill Group for ASSOCIATED PULP AND PAPER MILLS, Melbourne, there will be a number of changes at APPM. The non-executive directors, with the exception of **Mr Lawrence Baillieu**, will resign from the board on February 15. Mr Baillieu, who is managing director of North Broken Hill Holdings, will become chairman of the new APPM board. **Mr Mark Bethwaite**, an alternate director of APPM and company secretary of North, will join the APPM board. **Mr Wilfred Thornton**, managing director of APPM, will bring forward his retirement to February 15.

● McDONNELL DOUGLAS AUTOMATION CO has promoted **Mr Eugene T. Horn** to vice-president-government services; **Mr George F. Meister** to vice-president-discrete manufacturing industry; **Mr W. Bradford Rigdon** to vice-president-McDonnell Douglas Corporation services; and **Mr Bruce R. Yoder** to director-communications industry.

INTERNATIONAL APPOINTMENTS

● Mr Mark L. McConaghy, former chief of staff of the U.S. Congress's joint committee on taxation, has been named co-director—federal tax services for PRICE WATERHOUSE. Mr McConaghy joined the joint committee on taxation in 1972, was named deputy chief of staff in 1977, and was appointed chief of staff in 1981.

Mr Mark L. McConaghy, director, Price Waterhouse

● **Mr Bobby L. Gunn** has been appointed president of the power systems division of McGRAW-EDISON CO., based in Pittsburgh. He succeeds Mr Floyd M. McKenna who was retired. Mr Gunn was vice-president, distribution equipment operations.

● **Mr C. Barton Groves** and **Mr Riley M. Epps** have been elected corporate vice-presidents of DIAMOND SHAMROCK CORP., Dallas. They will continue as unit presidents of the company's oil and gas operations. Mr Groves directs the company's exploration, drilling and production progammes. Mr Epps is president of the refining and marketing unit based in San Antonio.

● **Dr Jack Tillman** has been made vice-president—operations of WILLIAMS REALTY CORP. Before joining Williams Realty, he was executive vice-president of Downtown Tulsa Unlimited. Williams Realty Corp is an operating company of The Williams Companies.

● **Mr J. M. O. Liddell** has been admitted as a general partner of FAHNESTOCK AND CO, members of the New York Stock Exchange.

● THE NATIONAL BANK OF KUWAIT has appointed **Mr Ibrahim S. Dahdoub** chief general manager in succession to **Mr Gerrit E. Venema**, who remains with the bank as adviser.

● **Mr Randolph Richmond** has been appointed divisional director of ICL's newly created North American division and president of ICL Inc, its U.S.-based subsidiary. In this position he will direct the company's marketing, service, manufacture and development activities in the U.S., Canada and Latin America. Mr Richmond joins ICL from Chromatics Inc., a manufacturer of computer graphics equipment in Atlanta, where he was president. Prior to that he served as vice-president and general manager of Pfizer Medical Systems and before that held key positions with IBM and Beckman Instruments.

Mr Randolph Richmond, ICL's U.S. president

● **Mr Thomas P. Cunningham, Jr**, and **Mr Neal E. Kottke** were elected to one-year terms as chairman and vice-chairman of the CHICAGO BOARD OF TRADE in the board's annual election. Mr Cunningham is sole owner of Cunningham Grain Co and has been a member of the Chicago Board of Trade since 1967. He served as vice-chairman of the exchange in 1980 and as a director from 1977 to 1979. Mr Kottke has been a member of the exchange since 1976. He is an independent trader and vice-president of Agra Gill & Duffus, Inc. He has served as director since 1981.

Elected to serve three-year terms as directors were: **Mr Charles B. Clement, Jr**, an independent trader; **Mr William F. Evans**, president, Staley Commodities International, Inc; **Mr Roger S. Griffin**, president, Griffin Trading Co; **Mr Karsten Mahlmann**, general partner, Stotler and Co; and non-resident **Mr John J. Conheeney**, chairman of the board of Merrill Lynch Commodities, Inc.

● **Mr Marc Sabbagh** has been appointed president directeur general of VICKERS RONEO and BRM in France.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	108⅝	109⅛	−0⅛	−0⅜	11.48
Amex O/S Fin. 14¼ 89	75	108⅞	109⅜	−0⅛	−0⅛	12.05
Amro Bank 13 89	200	103⅞	104⅜	−0⅛	−1⅛	12.04
BHP Finance 14¼ 89	150	105⅝	106⅛	−0⅛	−0⅛	13.27
Bk. Montreal 14½ 87	100	106½	107	−0⅛	0	12.33
British Col. Hyd. 14¼ 89	200	109⅝	110⅛	+0⅛	−0½	12.33
British Col. Hyd. 15½ 92	150	113⅝	114⅛	−0⅛	−0⅛	12.61
Canada 14¾ 87	750	109⅞	110⅜	−0⅛	−0⅛	11 26
Canadair 12½ 89	175	103⅛	103⅝	0	−0⅞	11.70
Canadian Wheat 11½ 90	50	97⅝	98⅛	−0⅛	−0½	11.61
Can. Pac. Ltd. 14⅜ 92	75	107⅛	107⅝	−0⅛	−0⅛	13.15
Can. Pac. Sec. 15 89	75	107⅞	108	0	−1⅛	13.11
Citicorp O/S 15 84 92	100	104	104½	0	−0⅛	10.91
Coca Cola Int. 11¾ 89	100	104⅛	105⅛	−0⅛	−0⅛	10.64
Credit Suisse 10½ 89	100	99⅛	99⅝	−0⅛	0	10.57
Deutsche Bk. F. 14⅛ 89	300	108⅞	109⅛	0	−0⅛	12.13
Du Pont 11¾ 55	750	98⅛	98⅝	−0⅛	−0⅛	11.50
Du Pont 14⅛ 89 WW	200	106⅝	107⅛	−0⅛	−0½	12.45
EDC 10⅞ 88	100	98⅛	98⅝	0	−0⅛	11.15
EDF 12⅞ 87	150	102⅜	102⅞	0	−0⅛	11.95
EEC 11½ 95	200	96⅝	97⅛	+0⅛	−0⅛	12.00
EIB 15½ 92	100	110⅜	110⅞	−0⅛	−0⅛	13.43
Exp. Dev. Cpn. 11¾ 87	100	101	101½	−0⅛	−0⅛	11.36
Forsmarks 13¾ 92	75	102⅛	102⅝	−0⅛	−0⅛	13.24
Gaz de France 12¾ 93	175	18⅛	18⅝	0	−0⅛	12.52
Gen. Elec. Credit 12 89	100	104⅛	104⅝	−0⅛	−0⅛	10 96
Getty Oil Int. 14 89	125	106⅜	106⅞	−0⅛	−7	12.38
GMAC O/S Fin. 10½ 90	200	95⅞	96⅜	−0⅛	−0⅛	11 33
GMAC O/S Fin. 15 87	100	108⅛	108⅝	−0⅛	−0⅛	12.27
GMAC O/S Fin. 15 89	125	110⅞	111⅜	−0⅛	0	12.34
Gulf Oil Fin. 12¼ 87	100	103⅞	104⅛	−0⅛	−0⅛	11.10
IBM Wld. Trade 12¾ 92	200	109⅛	109⅝	−0⅛	−1⅛	10.63
Lloyds Euro. 11½ 94	100	18	18½	−0⅛	−0⅞	11.77
Manitoba Prov. 11⅝ 89	125	102⅛	102⅝	−0⅛	−1⅛	11.21
Manitoba Prov. 13¾ 89	100	107⅞	108⅛	−0⅛	−0⅛	11.88
Midland Int. F. 11½ 92	150	98	98½	−0⅛	−0⅛	11.79
Nat. West. Fin. 11¾ 92	150	99½	100	−0⅛	−0⅛	11.77
New Brunswick 15¾ 87	75	110⅝	111⅛	0	−0⅛	11.89
Newfoundland 15½ 90	75	109⅝	109⅞	−0⅛	−1⅛	13.35
Nova Scotia Pr. 15⅝ 89	75	112⅛	112⅝	−0⅛	−0⅛	12.32
Ontario Hydro 11⅛ 89	200	100⅛	100⅝	−0⅛	−0⅛	11 10
Ontario Hydro 12⅜ 92	200	103⅞	104⅛	−0⅛	−1	12.00
Ontario Hydro 15 92	150	113⅛	114	−0⅛	−1⅛	12.42
Prudential O/S 12⅜ 87	150	104⅝	105⅛	0	−0½	11 31
Quebec Hy. 11½ 92 (D)	100	98⅛	98⅝	+0⅛	0	11.77
R. J. Reynolds 12⅜ 89	100	104⅛	104⅝	0	−0⅞	11.70
Saskatchewan P. 15 92	150	112⅛	112⅝	−0⅛	−1	12 85
Shell Canada 14⅜ 92	125	106½	107	0	−0⅛	13.04
Superior O/S Fin. 14 89	125	106⅞	107⅛	−0⅛	+0⅛	12.30
Swed. Exp.-Cr. 14⅜ 90	100	105⅝	106⅛	−0⅛	−0⅛	13 37
Swiss Bk Cpn. 10⅛ 90	125	98⅞	99⅛	−0⅛	+0⅞	10.43
UBS 10⅜ 87	200	101⅛	101⅞	−0⅛	+0⅛	10.28
UBS 11 89	150	101⅛	101⅞	−0⅛	+0⅛	10 61
Walt Disney Pr. 12⅛ 89	75	102⅞	103⅛	−0⅛	−0⅛	11.77
World Bank 10⅞ 90	200	96½	97	−0⅛	−1⅛	11 57
World Bank 11⅝ 98	100	94⅞	95⅜	−0⅛	−1⅛	11.93
World Bank 13⅜ 87	300	105⅛	105⅝	+0⅛	−0⅛	11.64

Average price changes .. On day −0⅛ on week −0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8½ 92	80	99⅞	100⅛	−0⅛	−0⅛	8.23
Asian D. B 8⅛ 92	150	98⅞	99⅛	−0⅛	−0⅛	8.41
Australia 6⅞ 93	200	97⅛	98⅛	−0⅛	−0⅛	7.16
Australia 7⅞ 92	200	101⅞	102⅛	−0⅛	−0⅛	7.46
Bayer Capital 7⅝ 89	150	100½	101	0	+0⅛	7 47
Beecham Fin. 8⅛ 92	125	100½	101⅛	−0⅛	+0⅛	7.98
Black and Decker 9⅛ 89	100	104⅛	104⅞	+0⅛	+0⅛	8.19
Caisse N. Energie 8 93	100	98⅞	99⅛	0	−0½	8.13
ECSC 7½ 93	150	97⅛	97⅝	−0⅛	−1⅛	7.87
ECSC 8 94	200	99⅝	100⅛	0	−0⅛	8.01
EEC 8 94	200	99⅝	100⅛	+0⅛	−0⅛	8.01
EIB 8⅛ 92	200	100⅛	100⅞	0	−0⅛	8.14
GKN 8⅞ 89	100	98	98⅛	−0⅛	+0⅛	8.69
Gould Int. Fin 8⅛ 89	75	100⅛	101	0	−0⅛	8.09
Int.-Am. Dv. Bk. 8⅛ 93	150	98⅞	99⅛	−0⅛	−0⅛	8.38
Ireland 8⅞ 91	150	99⅛	99⅞	−0⅛	−0⅛	8.98
ITT Antilles 9⅛ 92	100	106⅛	106⅞	−0⅞	−0⅛	8.23
McDonalds Fin. 7⅛ 92	100	99⅛	99⅞	−0⅛	−0⅛	7.19
Mitsubishi Heavy 7⅝ 87	150	99⅞	100⅛	+0⅛	−0½	7.81
Norsk Hydro 9 92	100	105⅛	105⅞	+0½	0	8.14
OKB 8⅞ 89	100	101⅞	102⅛	0	−0⅛	8.40
Sweden Kingdom 8⅛ 89	150	100	100½	−0⅛	−0⅛	8.19
World Bank 8⅛ 92	200	100⅛	101⅛	+0⅛	−0⅛	8.11
World Bank 9 92	200	104	104⅛	−0⅛	−0⅛	8.31

Average price changes. On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
BFCE 6⅛ 92	100	101⅛	102	+0⅛	−0⅛	5.99
Bowater Int. Fin. 6 92	100	103⅛	103⅝	+0⅛	−0½	5.54
Chugoku E. Pow. 6⅛ 91	100	102⅛	103	+0⅛	−0⅛	5.66
City of Oslo 6⅛ 92	100	†105	105⅛	−0⅛	0	5.55
EEC 6⅛ 92	100	103⅛	104	0	−0⅛	5.71
Europarat 6⅛ 92	100	102⅛	102½	−0⅞	−1⅛	6.41
First Interstate 6 92	100	†103½	103⅞	+0⅛	−0⅛	5.51
Gaz de France 6 93	100	101⅛	101⅞	−0½	−1⅛	5 78
Japan Airlines 6 94	100	103⅛	103⅞	+0⅛	−0⅛	5 55
Japan Dev. Bank 5⅞ 92	100	101⅞	101⅞	+0⅛	+0⅛	6.04
KLM Dutch Air 6½ 92	80	103	103⅛	+0⅛	−1⅛	5.82
Kyushu Elec. Pwr. 6 92	100	102	102⅛	+0⅛	−0⅛	5.71
Montreal Urban 6⅛ 92	100	105⅛	106	+0⅛	0	5.68
New Zealand 5⅛ 92	100	101⅛	101⅛	−0⅛	−0⅛	5.03
Nippon Express 6 93	60	102⅛	102⅞	+0⅛	−0⅛	5.68
Nippon Kokan 5⅛ 93	100	98⅛	99	−0½	−1⅛	6.79
Nisshin Steel Co. 6⅛ 92	100	101	101⅛	−1	−1⅛	6.22
OKG 6⅛ 93	60	100⅛	101	0	−0⅛	6.63
Philip Morris 5⅛ 92	100	102⅛	103½	−0⅛	−1⅛	4 94
Philips Lamps 5⅛ 92	100	104⅛	104⅛	0	−0⅛	5.16
Quebec 5⅛ 92	100	103⅛	103⅛	0	−0⅛	6.30
Sweden Kingdom 5⅞ 92	100	100⅛	100⅛	0	−1	5.79
Tokyo El. Power 5⅞ 92	100	102⅛	102⅞	+0⅛	−0⅛	5 5*
Tokyo Metropolis 5⅛ 92	100	101	101⅛	−0⅛	−0⅛	5.22
World Bank 5½ 93	100	101⅛	101½	+0⅛	−0⅛	5 32
World Bank 6⅛ 92	100	105⅛	106	+0⅛	+0⅛	5.45

Average price changes .. On day 0 on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105⅛	105⅞	−0⅛	0	7.79
EIB 8⅛ 92	15	102⅛	103⅛	−0½	−0½	7.81
Japan Airlines 7⅞ 87	9	†100⅛	101⅞	0	+0½	7 57
New Zealand 8⅛ 87	15	104⅛	105⅛	−0½	−0⅛	7.14
World Bank 8⅛ 92	20	103⅛	104⅛	−0⅛	−0½	7.76

Average price changes... On day −0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Tel. 17½ 88 C$	50	†112½	113	0	−0⅛	13.76
Can. Utilities 17 87 C$	35	†114	115	+0⅛	+0½	12.64
Gaz de France 15 89 C$	75	†106⅛	107	+0⅛	+0⅛	13.88
Gaz Metro 14½ 92 C$	40	†104⅛	105⅛	−0⅛	−0½	13.57
OKB 16⅛ 88 C$	63	†114⅛	114⅛	0	0	12.34
Quebec Hyd. 14 92 C$	60	†106½	107	+0⅛	−0⅛	12.73
Swed. E. Cr. 12⅛ 88 C$	50	†97½	98	+0⅛	0	12.88
Ireland 12⅛ 90 ECU	30	100⅛	101⅛	−0⅛	−0⅛	12.60
Thom. Bd. 12½ 87 ECU	40	100	101	−0⅛	−0⅛	12.34
Amlas 9½ 87 Fl	60	104⅛	104⅞	0	−0⅛	8 32
Amro Bank 9½ 87 Fl	100	105⅛	105⅞	−0⅛	−0½	8.05
Neder. Midbk. 9⅛ 87 Fl	100	104⅞	105⅛	0	+0⅛	7.93
Nedlloyd Gp. 10⅛ 87 Fl	75	105⅛	105⅞	−0⅛	−0⅛	8.74
Van Lanschot 10⅛ 87 Fl	50	108⅛	108⅞	0	−0½	7.99
World Bank 10 87 Fl	100	107½	108	−0⅛	+0⅛	7.96
OKB 14 86 FFr	400	97⅛	98⅛	0	−0½	14.74
Solvay et C. 14⅛ 86 FFr	200	96⅞	97⅛	0	−0⅛	15.96
BFCE 14½ 87 £	30	104⅞	105⅛	0	+0⅛	12.76
CECA 13½ 88 £	20	101	102	0	+0⅛	13 07
CNT 12½ 89 £	20	97	98	0	−0⅛	13.04
Fin For Ind. 12⅛ 88 £	30	99⅛	100½	0	+0⅛	12.31
F. Mar. Oranj. 12⅛ 92 £	30	21	21½	0	−0⅛	13.31
Gen. Elec. Co. 12½ 89 £	50	102⅛	103⅛	0	+0⅞	11.71
Hiram Walker 14⅛ 86 £	25	103⅞	105⅛	0	0	12.41
Mort. Bk. Fin. 11⅛ 89 £	15	22	23	−0⅛	−0⅛	13.60
Norsk Hydro. 12 90 £	30	24	25	−0⅛	−0⅛	13.49
Norsk Hydro. 14½ 87 £	30	105	106	0	+0½	12.73
Quebec 14½ 89 £	30	103⅛	104⅛	+0⅛	+0⅛	13.57
Quebec 15½ 87 £	35	106⅞	107⅛	0	+0⅛	13.05
SDR France 15½ 92 £	30	103⅛	104⅛	−0⅛	+0⅛	14.63
SNCF 11½ 89 £	30	16½	17½	0	0	13.40
Tenneco Int. 14⅛ 87 £	30	104⅛	105⅞	0	+0⅛	13.03
World Bank 11⅛ 91 £	75	22⅛	23⅛	0	+0⅛	12.87
Eurofima 10½ 87 LuxFr	500	98⅞	99⅞	0	−0⅛	10 65
Europarat 12½ 92 LuxFr	500	104⅛	105⅛	0	−0⅛	11.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5⅛ 92	0⅛	97½	98	15/4	10⅛	10.87
Bk. of Tokyo 5⅛ 91 (D)	0⅛	99⅞	100⅛	10/6	9⅝	9.75
BFCE 5⅛ 88	0⅛	98⅞	99⅛	20/7	9⅛	9.36
BFCE 5⅛ 87	0⅛	99⅛	99⅞	27/7	9.94	10.00
Caisse Nat. Telo. 5⅛ 90	0⅛	99⅛	99⅞	21/4	10.56	10.63
CCCE 5⅛ 2002	0⅛	97⅞	98⅛	11/3	9⅝	10.08
CEPME 5⅛ 92	0⅛	99⅛	99⅞	10/6	9.94	10.00
Chemical NY 5⅛ 94	‡0⅛	99⅞	100⅛	23/3	9.94	9.93
Credit Agricole 5⅛ 97	0⅛	99	99⅛	24/3	12⅞	12.97
Credit du Nord 5⅛ 92	0⅛	98⅞	99⅛	23/6	10⅛	10.21
Credit Lyonnais 5⅛ 97	0⅛	99	99½	1/4	12.19	12.28
Credit Lyonnais 5⅛ 94	0⅛	99⅛	99⅞	5/7	9⅝	9.85
Credit Nat. 5⅛ 94	‡0⅛	99⅛	99⅞	9/3	12.18	12.32
Kansallis Osake 5½ 92	0⅛	99⅞	100	6/5	10.06	10.09
Lloyds Eurofin 5⅛ 93	§0⅛	99⅞	100⅛	29/4	10.56	10.56
Long Term Cred. 5⅛ 92	0⅛	99⅞	99⅞	27/5	10⅛	10.15
J. P. Morgan 5⅛ 97	§0⅛	99⅞	100⅛	14/2	10.06	10.05
Nat. West. Fin. 5⅛ 91	§0⅛	99⅞	100⅛	15/7	9⅛	9.26
New Zealand 5⅛ 87	0⅛	100⅛	100⅞	7/4	12⅛	12.46
NZ Steel Dev. 5⅛ 92	0⅛	99⅞	100⅛	22/6	10.19	10.19
Nippon Credit 5⅛ 90	0⅛	99⅞	100⅛	10/2	13⅞	13.69
Offshore Mining 5⅛ 91	0⅛	99⅞	100⅛	2/8	10.44	10.44
Scotland Int. 5⅛ 92	0⅛	99⅞	100⅛	23/3	13⅛	13.27
Sec. Pacific 5⅛ 91	0⅛	99⅞	100⅛	24/5	10.06	10.05
Societe Generale 5⅛ 95	0⅛	99	99½	1/3	12.81	12.91
Standard Chartd. 5⅛ 91	0⅛	99⅞	100⅛	18/6	10.69	10.67
Sweden 5⅛ 93	0⅛	98⅛	99	3/2	5⅛	5.31
Sweden 5⅛ 89	0⅛	99	99⅛	26/2	11.81	11.90

Average price changes...On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	87⅛	89⅛	−0⅛	3.41
Bridgestone Tire 5½ 96	3/82	470	94⅛	96	−0⅛	2.81
Canon 7 97	7/82	748.2	160⅛	162⅛	+1⅛	5.70
Fujitsu Fanuc 4½ 96	10/81	5614	92½	94½	−1⅛	23.28
Hitachi Cable 5⅛ 96	2/82	515	96½	97⅛	−0⅛	7.78
Hitachi Cred. Cpn. 5 96	7/81	1612	86⅛	87⅛	+1⅛	25.55
Honda Motor 5½ 97	3/82	835.6	117⅛	118⅛	0	4.69
Kawasaki 5⅛ 96	9/81	229	69⅛	71⅛	0	26.43
Kumagai Gumi 6⅛ 97	10/82	400	110⅛	112	−0⅛	5.43
Kyowa Hakko 6⅛ 97	2/83	762	100	101	−0⅛	13.38
Marui 6 96	7/81	846.4	116	116½	+0⅛	15.19
Minolta Camera 5 96	10/81	828.4	69⅛	70⅛	0	43.73
Minorco 5⅛ 97	5/82	8.16	†144	146	−2½	−1.89
Murata 5⅛ 96	7/81	1971	87	88⅛	−0⅛	21.71
NKK 6⅛ 96	7/81	188	79⅛	80⅞	0	26.21
Nippon Electric 5⅛ 97	2/82	804.2	117	118⅛	+1½	10.77
Olympus Optic. 6⅛ 97	12/82	1331	99⅛	101⅛	−0⅛	15.86
Orient Finance 5⅛ 97	3/82	1205	92⅛	93⅛	+4	−1.83
Sanyo Electric 5 96	10/81	652	79	80	+0⅛	25.27
Sumitomo Elec. 5½ 97	3/82	577.3	95½	96⅛	−0⅛	11.24
Sumitomo Met. 5⅛ 96	10/81	296.1	69	70⅛	+0⅛	40.51
Olym. O. 4½ 92 SwFr.	12/82	1331	106	108	−0½	32.28
Konishiroku 6⅛ 88 DM	6/82	616	110⅛	111⅛	+0⅛	9.67
Mitsubishi H 6 89 DM	2/82	263	103⅛	104⅛	−0⅛	11.31
Sum Realty 6⅛ 92 DM	2/83	365	108⅛	109⅛	0	−0.10

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week......	10,095.5	14,433.1
Previous week	5,731.9	12,334.6
Other bonds		
Last week......	848.1	759.9
Previous week	973.4	566.1

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; *Credit Suisse/Swiss Credit Bank*; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; Deltec Securities (UK); EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on February 4

UK COMPANY NEWS

National Freight increased payout

AT THE AGM of the National Freight Consortium shareholders voted themselves an increase in dividend after seeing the value of their investment double in eight months. In what was one of the largest annual meetings ever held in the UK, close to 2,000 people, most of them employees or former employees, packed the Metropole Hotel in Birmingham.

The consortium acquired the National Freight Company, including British Road Services, National Carriers, and Pickfords, from the Government for £53.5m in February 1982. More than 10,000 NFC employees, their families and pensioners, had subscribed over £6m for 82½ per cent of the consortium's equity.

Their £1 shares are now worth twice as much. The remaining 17½ per cent of the equity, amounting to £1.3m, was subscribed by major UK banks, and a £51m loan was arranged by a banking syndicate to buy out the ailing nationalised road transport industry.

The directors have already reported an operating profit of £18.3m for the first 32-week period.

After hearing from Mr James Watson, financial director, that in the first quarter of the current trading year, the consortium had made "a very encouraging start," the shareholders unanimously approved a final dividend of 12p per share for February to October, 1982, equivalent to an annual growth rate of 18 per cent.

On the future, Mr Peter Thompson, chief executive, said all the British companies within the consortium were in the black. Because of the consortium's strong trading position, it had paid off £6m of loans in December—15 months ahead of schedule—and invested nearly £25m in new rolling stock.

After the meeting it was announced that the original £1 shares had been revalued at £2.45 each when linked with a new bonus issue. This means employes can sell their bonus issue shares to other non-shareholding members of the concern, and retain their original investment.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Howard Shuttering, ML Holdings, Malaysia Rubber, Meat Trade Suppliers.

Finals—UC Investments.

FUTURE DATES

Interims—

Dale Electric International	Feb 10
Dalgety	Feb 15

Finals—

Aaronson Brothers	Feb 10
Camford Engineering	Feb 8
Moorside Trust	Feb 9
River and Mercantile Trust	Feb 10
River Plate and Gen Inv Tst	Feb 10
TI Group	Mar 17
TSL Thermal Syndicate	Feb 9

Candecca slips to £71,000 at six months

A fall from £206,000 to £71,000 in pre-tax profits is reported by *Candecca Resources*, the oil and gas exploration company, for the six months to September 30 1982. Group operating losses doubled from £57,000 to £116,000. Net interest receivable was £32,000 against £219,000 and associates pre-tax profits climbed from £44,000 to £155,000.

Outside shareholders' interest were nil this time compared with £13,000.

Delineation drilling on the Humbly Grove structure was completed during the half-year, say the directors. Seismic programmes were recorded in the area of the Hatfield Moors gas discovery, which blew out and flowed large volumes of gas in late 1981, as well as in Lincolnshire, Humberside and the South of England.

The final nine of 12 production licences, applied for in the East Midlands with British Petroleum as operator, were awarded.

Candecca's shares are dealt on the Unlisted Securities Market.

Tesel rights

The recent £2.48m rights issue by Tesel Services has been fully subscribed.

Tesel is an unquoted company, providing data and analysis on the down-hole conditions for oil companies engaged in exploration and production.

More than 40 per cent of the issue was taken up by existing shareholders. Proceeds will be used for further capital expenditure.

Brockhouse reports no improvement in demand

With the odd exception, Mr R. J. H. Parkes, chairman of Brockhouse, told members at the annual meeting that there had been no improvement in demand from the markets the group served.

December was a particularly poor month, for this engineering, transport and building concern, although January showed some recovery, he stated: "Such is the industrial scene at the moment; almost impossible to predict."

Essential restructuring in certain parts of the group, together with other moves were in hand with the longer term in view, the chairman pointed out.

"No prediction for the year is possible under the present circumstances, but I can say that the going will continue to be uncomfortable, particularly during the first half."

At the annual meeting of Dubilier, manufacturer of electric and electronic components, Mr Ronald Hooker, chairman told members that first quarter trading had shown an encouraging increase in orders.

Profits for the first six months, he stated, should therefore show an improvement, "despite the general economic uncertainty and the continued U.S. recession."

Commenting on the acquisition of Canadian connector manufacturer, EDAC Inc., Mr Hooker said that its performance was in line with expectations, and that it followed the group's continuing policy of developing a broader manufacturing base inside North America.

RESULTS AND ACCOUNTS IN BRIEF

AE (component maker)—Following AGM chairman, Mr John Collyear, revealed that demand in most areas of the group's business continued to be weak and it was likely that the volume of business in the current year would be lower than that of 1982.

COSALT (ships' chandlery, caravans)—Results for the year ended August 29 1982 reported January 11. Shareholders' funds £8.13m (£8.54m); fixed assets £7.53m (same); net current assets £3.84m (£4.52m); net liquid funds decreased by £1.77m (£305,930). Meeting, Fish Dock Road, Grimsby, Febuary 28, noon.

ARCHIMEDES INVESTMENT TRUST—Net asset value of capital shares as at January 31 1983 was 162.41p.

MUIRHEAD—Chairman, Sir Raymond Brown, says in his annual statement that the current year will see a strong imbalance of sales and pre-tax profits. Results in the first half are expected to be poor, but substantial improvements should emerge in the second half and beyond.

LONDON & GARTMORE INVESTMENT TRUST—Results for the half year ended December 31 1982: Revenue available £8,454 (£3,224) after tax £24,825 (£12,756); earnings per share 0.15p (0.08p); net asset value per share 200.4p (137p as at June 30 1982).

AFRICAN LAKES CORPORATION (tea, rubber planter, general trading)—Results for year ended July 31 1982: Turnover £10.19m (£9.52m); pre-tax profits £200,267 (£441,495); tax credit £15,451 (£124,249 charge); attributable £91,998 (£121,812); dividend 1.1p (same); earnings per share 2.19p (3.66p). Directors say export finance operation in the UK made a profit, but this was more than offset by losses in the advertising agency and initial costs incurred in establishment of personnel recruitment agency.

Barclays Italy continues rapid growth

Net profits of the Barclays Bank Group in Italy reached about L14bn (£6.49m) last year, against L4bn in 1981. Operating profit was just over L25bn (£11.59m) compared with L11bn, after making the maximum provisions allowed by fiscal legislation.

Barclays has achieved very fast growth in Italy since it began operations in the late 1970s, and the chairman, Mr Ken Bromley, attributes much of the success to Barclays involvement with small- and medium-sized companies. Part of the expansion has been through joint ventures in finance companies with established banks.

In 1982 group total financings increased 30 per cent from L760bn to more than one trillion (million million), and a similar rate of growth is expected this year.

Provision has been made for bad debts relating to the failure in late 1981 of a components subsidiary of the Maiocco group in Turin, to which one of the Barclays leasing companies made a substantial advance. The extent of the loss has not been clarified and the matter is still before the courts.

TADDALE INVS.

The boards of Taddale Investments and Taddale Properties have agreed terms whereby TI will offer to acquire all the issued shares of TP it does not already own. Currently it holds 44.4 per cent of TP.

The terms of the offer will be nine TI 10p ordinary shares for every 10 TP 10p ordinary shares.

ASSOCIATE DEAL

Morgan Grenfell, an associate of Grattan, has bought 250,000 Sears Holdings ordinary on behalf of a discretionary client.

FT Share Information

The following securities have been added to the Share Information Service:

Britoil (Section: Oil & Gas). Garfunkels Restaurants (Hotels). Marsan Capital Corporation (Trusts, Finance, Land). NMW Computers (Industrials). Slaters Food Products (Foods). Wyndham Engineering (Engineering).

CONTRACTS

£9m office development at Leeds for Laing

Westgate Centre—the largest single office development in Leeds for 10 years—is taking shape under a £9.1m contract awarded to JOHN LAING CONSTRUCTION. Interlinked office blocks of five, eight and 11-storeys plus a multi-storey 560 space car park are included in the scheme for SI Pension Trustees. A 4,246 sq metre five-storey office block with adjoining ancillary accommodation to include a leisure element are planned. The buildings on the Wellington Street site, adjacent to the International Swimming Pool, will have reinforced concrete frames, on part basement and part-piled foundations, with brick cladding. Completion is due in summer 1984.

★

The CAPITAL CHAPMAN GROUP has three contracts. Chapman, Lowry and Puttick is extending Elphicks Store in Farnham. The work comprises phased alterations and extensions including maintenance and fire precaution work to a value of £200,000, with completion due by December. At Lloyds Bank Training Centre work has commenced on a new furniture store, worth £27,000. At Alice Holt Lolge work has also commenced on a re-roofing contract, worth £25,000.

★

BRIGGS AMASCO has a £500,000 contract for work on the fourth terminal at Heathrow Airport. The contract was awarded by Taylor Woodrow Management for the main plant room roof and plenum chamber floor.

★

A mechanical-services contract worth nearly £200,000 for work on a new jetty at the Naval Base, Devonport, has been awarded to PRESS CONSTRUCTION by main contractor Cementation Construction, a Trafalgar House Group company. The lubricating-oil jetty "test and tune" berth currently under construction is for the Property Services Agency of the Department of the Environment.

★

The £500,000 contract for building the new CITRAC II centre for controlling road signalling in the Greater Glasgow area has been won by PRESS CONSTRUCTION. Awarded by Strathclyde Regional Council, the contract entails the erection of a two-storey building in Elmbank Street.

★

Redlake Securities has awarded a £2m contract to MILLER BUCKLEY CONSTRUCTION for a second phase of office development at Swindon. The six-storey 44,500 sq ft office block is at Farnsby Street and Commercial Road in the town centre. Work has commenced and is due for completion in October.

★

A contract worth £1.12m has been won by SUPERHOMES to build 133 dwellings for Costain at its Grange Park, Swindon development. Shell erection begins in March and phased completion of the contract will take place during 1983 and the early part of 1984.

★

Contracts worth nearly £2.5m have been awarded by the Welsh Development Agency for further infrastructure projects at East Moors industrial estate, Cardiff, and Baglan industrial park, Port Talbot. At East Moors, WIMPEY CONSTRUCTION (UK), Cardiff, has a contract worth £1.3m to provide road and drainage services at two sites on the estate. Another contract for £290,000 has gone to COSSLETT (CIVIL ENGINEERING), Pontypridd, for site filling and drainage work at the adjoining Tremorfa foreshore. At Baglan industrial park the Agency has given the go-ahead for additional work worth £740,000 to be carried out by NORWEST HOLST CIVIL ENGINEERING, Cardiff. This includes road building, street lighting, drainage, electricity, gas, water and telephone services.

★

Construction of the Vasilikos-Pendaskinos project, which will augment the water supply for Nicosia will provide irrigation water for Pendaskinos and Vasilikos valleys, started in November 1982 with the letting of contracts for Dhypotamos dam and a contract for the equipment for the Kornos Treatment Works.

The project for the Water Development Department of the Government of Cyprus has been designed by the joint venture of Rofe, Kennard & Lapworth, of the UK, Wallace Evans and Partners, of the UK, and C Chr Joannides of Cyprus, consulting engineers, and moved forward into the next stage in January when construction started on Kalavasos dam.

Contract for Kalavasos dam valued at C£5.7m (£7.1m) was awarded to the joint venture of Cyprus firms JOANNOU AND PARASKAVAIDES with MEDCON. The dam is to be rockfilled with rolled clay core. It will be 60 metres high, 480 metres long, and the volume of material will be 1.5 cu metres

Contract for the pumping equipment has been awarded to Weir Pumps, Alloa. The value is C£550,000 (£680,000).

★

KENCHINGTON LITTLE INTERNATIONAL have been appointed consulting engineers with architects M.T.H. PARTNERSHIP for a £5m theatre to be built in Doha, Qatar. The theatre is to have a seating capacity of 350 and will provide a permanent home for the Qatari Folklore Troupe of dancers and also a venue for the Qatar drama group. A feature of the theatre is the use of the cubic space frame in the roof structure. This has been chosen to accommodate the complexity of the air conditioning ductwork, lighting galleries and other services. The air conditioning plant which is to be housed externally to the main auditorium will be shaded from the intense heat by a Mero space frame with conical canvas shades.

★

BABCOCK PRODUCT ENGINEERING, Crawley, has been awarded a contract to supply combustion equipment to Eire. Worth almost £1m, the order is to convert two boilers from oil to dual fuel firing using either oil or natural gas. The boilers are French-built 120 MW units installed at Poolbeg power station in Dublin.

★

BRITISH ROPES, Doncaster, has won orders worth £750,000 from the United Arab Emirates for steel wire rope road safety barriers. Almost 160 tonnes of galvanised barrier rope is included. The first 20 barriers, which will be erected on the central reservation of the access road to Abu Dhabi's new international airport, will be commissioned next month.

★

£2.7m Trinidad Work for Kier

KIER INTERNATIONAL, a member of the French Kier Group, has been awarded a contract valued at around £2.7m for the construction of an office building in Port of Spain, Trinidad, for ABMA Investments. The 16-month project comprises a steel-framed structure of five storeys providing 2,760 sq metres of office space and a ground floor car park.

★

MARCONI AVIONICS is to supply advanced electro-optical equipment, worth £1m, for use in new fire control systems for the Brazilian Navy. The equipment is to be supplied to Ferranti Computer Systems, which won the contract to equip four new Brazilian corvettes with fire control systems. Marconi Avionics will commission the equipment, which includes a new 24-hour all-weather imager.

★

Five Snorkel firefighting/rescue units worth over £1.4m have been despatched in convoy from the West Midlands factory of SIMON ENGINEERING DUDLEY en route for the Kingdom of Saudi Arabia.

★

The power systems division of CHLORIDE STANDBY has won an order worth over £500,000 to supply battery-based AC and DC power systems for two production platforms in the Danish sector of the North Sea. The order, placed by Dansk Boreselskab, covers two AC and eight DC power systems which will provide normal and standby power for telecommunications, safety, lighting, instrumentation and control systems on the Tyra East and West platforms in the Tyra field. The platforms are operated by DUC—Dansk Undergrunds Consortium—a consortium of A. P. Møller, Shell, Texaco, and Chevron.

★

MATHER AND PLATT, part of the Wormald International Group, has received an order from B.S.C. for three descaling pumpsets for Port Talbot, an order worth over £300,000.

★

OXFORD EXHAUST SYSTEMS, part of Su-Butec is to manufacture all the exhaust systems required for Austin Rover's Maestro (LM10) motor car, due to be launched in March. The company, who are already producing 1,000 of the exhaust systems a week, will increase its production to 2,500 by March. Oxford Exhausts is also producing the fuel tank for the new vehicle. The contract is worth nearly £2.5m to Oxford Exhaust Systems during the first full year.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡108	F.P.	13.1	204	140	✠Baltic Leasing 5p	204	−2	b2.8	3.5	2.0	16.1
‡	F.P.	—	16	12	✠Booth (Charles) 5p	16		—	—	—	—
‡100	F.P.	22.4	105	100	Br. Kidney Pat. As.	105		—	—	—	—
‡74	F.P.	21.1	158	103	✠Canvermoor	148		b3.64	2.0	3.5	16.7
‡17	F.P.	21.1	35	24	✠Inn Leisure 5p	34	+1	u0.42	3.7	1.8	17.8
‡130	F.P.	14.1	190	155	✠Memory Comp Ir 10p	185		bQ2.8	5.6	1.3	19.9
‡190	F.P.	4.3	388	330	✠Microgen	350		b4.0	2.9	1.6	28.9
‡155	F.P.	7.1	255	200	✠Munford & White	222	−3	b2.6	2.4	1.7	35.1
‡95	F.P.	4.2	198	145	✠Resource Tech. 10p	177	−3	—	—	—	34.0
120	F.P.	—	125	105	✠Swindon Priv Hos £1	105		—	—	—	—
‡101	F.P.	—	76	16	✠Tops Estates 10p	60	−5	—	—	—	—
‡150	F.P.	18.2	340	265	✠WightCollinsR S10p	278		bd2.75	3.5	1.4	31.0
—	F.P.	3.3	25	22	Yorks & Lancs. W'rrnts	25	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	90	89	Anglo Nordic 10% Cnv. Uns. Ln. 1989	90	
97.504	£25	4.3	29½	15¾	BOC 12½% Uns. Ln. 2012-17	17½	−½
99.431	£20	10.4	21	12	Birmingham 11½% Red. 2012	12½	−½
‡	£10	24.3	11½	11	East Surrey Water 7½% Red. Pref. 1988	11	
‡‡	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	87	
—			99	99	Nationwide Bdg. Soc. 11% Bds. 25.1.84	99	
97.174	£25	6.5	24½	22	Pearson (S) 13% Uns. Ln. 2007	23½	
96.55	£25	8.7	25⅝	25½	Sweden 13½% Ln. Stk. 2010	25	
‡‡	F.P.	18.2	90	85	Transcont. 9% Cnv.Red.Uns.Ln.Nts.1995	88	

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	Nil	—	—	25pm	23pm	AGB Research 10p	25pm	
26	F.P.	28.1	18.2	348	94	Arlen Elec.	335	−1
90	F.P.	28.1	18.2	122	108	Bellwny.	122	+2
50	Nil	8.2	9.3	5pm	1pm	Cluff Oil 'B'	1pm	
90	Nil	—	—	54pm	43pm	Grosvenor Group	43pm	−5
60	F.P.	14.1	11.2	76	65	ICL	74	−2
46	Nil	14.2	11.3	11pm	5pm	LCP	11pm	+1
27	Nil	—	—	51pm	5pm	Mount Charlotte 10p	5pm	
93	F.P.	7.2	21.3	118	106	NSS News 10p	118	
58	F.P.	8.2	29.4	66	61	Stakis 10p	66	+1
470	F.P.	11.1	11.2	610	523	Wolseley-Hughes	610	−10

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ⊕ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
AAH	Mar 8	Interim 2.1
Anglo Amer. Gold	Mar 11	Final 500c
Ault and Wiborg	Mar 5	Final 0.75
BTR	Mar 8	Final 4.5
*Bank Leumi UK	Feb 9	Final 7.0
Barclays Bank	Mar 1	Final 11.5
*Barratt Devs	Mar 14	Interim 3.5
Bath and Portland	Feb 17	Final 2.5
Bejam	Mar 18	Interim 1.25
Bibby (J.)	Mar 16	Final 6.1
*Birmid Qualcast	Feb 17	Final 1.4
Blagden Inds	Mar 1	Sec. int. 3.0
BP	Mar 15	Final 14.0
British Vita	Mar 8	Final 1.7
Brooke Bond	Mar 16	Interim 1.25
Cadbury Schweppes	Mar 11	Final 3.3
Carlton Inds	Mar 15	Final 5.0
Charterhouse Pet.	Mar 16	Final 0.5
Collins (Wm)	Mar 17	Final 4.5
*Commercial Union	Feb 22	Final 6.95
Consolidated Plantations	Feb 18	Interim 7 sen.
*Dalgety	Feb 10	Interim 11.0
De Beers Cons.	Mar 9	Final 25c
Exco Intl.	Mar 16	Final 2.5
*Fisons	Mar 1	Final 6.0
General Accident	Mar 3	Final 8.75
General Mining	Mar 4	Final 120c
GKN	Mar 18	Final 4.0
Hall Eng'g	Mar 18	Final 4.2
HME	Feb 24	Interim 2.5
Hongkong and Shanghai Bk.	Mar 9	Final HK$0.44
Hoover	Feb 24	Final 2.0
*ICI	Feb 24	Sec. int. 10.0
IMI	Mar 16	Final 2.5
*Imperial Gp.	Feb 10	Final 4.5
Lex Service	Mar 17	Final 4.2
*Lloyds Bank	Feb 18	Final 12.75
*Lonrho	Feb 10	Final 6.0
Lonsdale Universal	Feb 4	Final 0.5
Marchwiel	Feb 23	Final 4.2
Midland Bank	Mar 19	Final 16.0
Mills and Allen Intl.	Mar 19	Interim 6.0
NatWest	Feb 23	Final 15.575
Notts Manuf.	Feb 22	Final 3.4
Plessey	Feb 25	Interim 3.542
Ransomes Sims and Jefferies	Mar 4	Final 6.0
Rentokil	Mar 4	Final 1.8
Royal Insce	Mar 1	Final 15.5
*Securicor	Feb 9	Final 1.23
Sedgwick	Mar 18	Final 3.75
Shell Transport	Mar 11	Final 11.9
Sime Darby	Feb 18	Interim 4 sen.
*Stand. Tel and Cable	Feb 18	Final 9.0
Steetley	Mar 18	Final 6.5
*TI	Mar 17	Final 5.0
Tilling (T.)	Mar 17	Final 4.5
Transport Dev.	Mar 15	Final 2.8
Turner and Newall	Mar 17	Final nil
Ultramar	Mar 3	Final 8.0
Unilever	Mar 2	Final Fl 4.56
United Biscuits	Mar 11	Final 3.0
*Vickers	Feb 28	Final 7.45
Wolseley-Hughes	Mar 16	Interim 4.84

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

SHARE STAKES

Unilever—Guardian Royal Exchange Assurance has acquired £74,000 of 7 per cent first cum pref stock.

Meyel Intnl—Tom M. Meyer, a director, in his capacity as a trustee of the estate of Mrs M. G. Meyer (deceased) reports the sale by the trustees of 25,000 ordinary shares.

Applied Computer Techniques—L. C. N. Bury, a director, has disposed of 60,000 ordinary shares on behalf of the trustees of Bury 1973 settlement "H" account. Mr Bury has also acquired 60,000 ordinary shares in his own name

Westminster Property Group—David R. Kirch has purchased 130,000 ordinary shares.

Chubb and Son — Kuwait Investment Office now holds an interest in 3,541,250 ordinary shares.

Jebsens Drilling — the Bergen Bank A/S now holds an interest in 6,609,901 ordinary shares.

Gill and Duffus Group—M. D. Martin, a director, has sold 20,000 ordinary shares, 10,000 in his own name and 10,000 in his wife's name. Mr Martin has also sold 20,000 ordinary shares from a trust account.

Savory Milln — J. H. Neill, chairman, has purchased 88,000 ordinary shares.

TR Australia Investment Trust—the Post Office Staff Superannuation Fund has reduced their holdings by 200,000 shares to 1,185,000 shares (8.5 per cent).

Closing prices on February 4

NEW YORK STOCK EXCHANGE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅞	5¼	AAR	.44	4.6	23	285	9½	9⅜	9⅝	+ ⅛
38	27½	ACF	2.76	8.1	6	19	34	33⅞	34	+ ⅛
23⅞	12¼	AMF	1.36	7.6	6	1037	18	17⅝	18	+ ⅜
25¼	10⅞	AMR Cp				5351	24¾	22¾	24¼	+ 1½
12⅛	3⅞	AMR	wt			1977	11¼	10½	11¼	+ ¾
17⅞	12¾	AMR	pf2.18	13		53	17½	17⅛	17⅜	
5⅛	2½	APL			18	20	3½	3½	3½	
38	23½	ARA	2	5.8	10	64	35⅞	35¼	35½	− ½
79⅞	24½	ASA	3a	4.0		552	75⅜	74½	74½	− ½
26⅞	12¾	AVX	.32	1.2	40	174	25⅞	25¼	25⅝	+ ⅜
41⅝	27	AbtLab	.84	2.1	17	1512	40	39¾	39¾	
23¼	15⅝	AcmeC	1.40	7.8	20	56	18⅛	18	18	− ⅛
11	5¾	AcmeE	.32b	3.1	27	730	10⅛	10	10⅛	− ⅛
10⅝	4⅛	AdmDg	.04	.5	9	34	8⅞	8⅝	8⅝	− ⅛
17⅛	12½	AdaEx	1.73e	11		33	15⅜	15⅛	15¼	− ⅛
9¾	4⅝	AdmMl	.20e	2.3	16	4	8⅞	8⅞	8⅞	
17⅞	12⅞	Advest	s .16	1.0	10	19	15⅞	15½	15½	− ⅛
37⅞	11⅛	AMD	s		58	2132	u38	35½	38	+ 2½
48¼	32⅞	AetnLf	2.52	7.6	6	2932	33⅞	32⅞	33¼	− ½
63¾	52⅞	AetL	pf2.49e	3.9		538	63¾	62¼	63¾	+ ½
33⅛	8	Ahmns	.60	2.3		471	26½	26	26	− ¼
4	2⅜	Aileen				112	3⅛	3¼	3¼	
46	27⅞	AirPrd	.80	1.8	13	1506	44¼	44	44	− ⅛
20⅛	7⅞	AirbFrt	.60	2.9	25	204	20⅜	19	20⅜	+ 1⅛
2⅞	2	AlMoa	n		4	65	2⅜	2½	2⅜	+ ⅛
31	24½	AlaP	pfA3.32	13		54	31	30½	31	+ ¼
7⅛	5⅝	AlaP	dpf.87	12		50	7⅛	6⅞	7⅛	+ ⅛
68½	54⅛	AlaP	pf 9	13		2330	68½	68½	68½	+ ¼
63½	49⅛	AlaP	pf8.16	13		2150	63	61½	63	
66¾	50½	AlaP	pf8.28	13		22470	65½	64	65	+ 1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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AMERICAN STOCK EXCHANGE CLOSING PRICES

Closing prices on February 4

12 Month High	Low	Stock	Div	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11⅛	5⅛	AAV	.32	2.9	7	5	11⅛	11	11⅛	
4⅞	2¼	AIC Ph				16	4⅞	4⅞	4⅞	+⅛
3⅞	1	AT:			15	266	3⅞	2¾	3⅞	+⅞
5	1½	AcmePr			45	176	5	4½	5	+⅜
21¾	12¾	AcmeU	.40	2.0	17	27	20½	19⅝	20⅛	+⅞
22⅞	2¼	Action			6	230	22¼	20	21½	-½
9⅞	5⅛	Actons	10r	1.2		75	8⅞	8⅛	8⅞	+½
3⅞	⅞	Actn	wt			26	2⅞	2½	2½	-⅛
10⅞	1¾	AdmRs	.10	4.0		63	2⅞	2⅞	2½	+⅛
25	12	AdRusl	s.10	.4	24	245	24	22¼	23⅞	+⅞
26	11⅛	Adobe	.20	1.1	12	83	18	17⅞	17½	+⅞
3	2	AegisCp			6	149	2½	2⅞	2⅞	
20⅞	7⅜	Aeroflx	1.55t	7.9	17	94	19⅞	19½	19½	-⅛
6¼	2¼	Aeronca				156	5⅞	5⅛	5⅛	+⅛
21⅞	9⅞	AlliHop	.32	1.6	10	3	19¾	19¾	19¾	-¼
8	3⅞	AirtSix			8	57	u8⅛	7⅞	8	
15½	4⅞	AirExp			73	80	15¼	15¼	15¼	
14⅞	4⅞	AlskAir	.12e	.9	11	421	13½	13⅛	13⅞	+⅜
9¼	3⅞	AlbaW	.10e	1.0	17	285	u10	8¾	10	+1⅛
13⅞	6	AllenT	.75t	5.4		17	u14	13⅛	14	+⅞
10	6	AlrnySt		2.3	219	1	8¾	8¾	8⅞	+⅞
9⅞	5½	AlohaA			5	67	9⅞	8¾	9	+⅛
21⅞	8¼	Alphal	a		26	111	21½	20⅞	21⅞	+⅝
1⅛	½	Altec				22	⅞	13-16	13-16	-1-16
2⅞	1⅛	Alexx	n		150	127	1½	1⅛	1½	
33	25	Alcoa	pf3.75	12.		z400	32	32	32	-¼
37½	17⅞	Amdhl	.40	1.0	164	2347	u39½	37½	39⅞	+2⅛
25⅞	6¼	Amedc	s.12	.5	26	34	25	23⅞	25	+⅜
5	3½	ABrit	n			19	4½	4½	4½	+⅛
3⅛	⅝	AmCap				26	2⅞	2½	2⅞	
28⅞	17	AContrl	.68e	2.5	7	4	27⅞	27½	27⅞	+⅜
27¼	8¼	AExp	wt			144	26	23	24	+1¼
15½	5⅛	Alsrael			6	14	10	10	10	-⅛
14	8	AMzeA	.52	3.9	8	49	13⅛	13⅛	13¼	-½
14	8	AMzeB	.52	3.8	8	7	13⅞	13¼	13¼	
17⅞	4⅞	AMdBld			60	159	13⅞	13⅞	13⅞	
30½	14⅞	AMotin	.25	.8	13	114	30⅛	29½	29½	-⅛
63⅞	41½	AmPetf	3.20	5.9	11	2	54	54	54	-⅛
6	2⅞	APlan			11	570	5⅞	4⅞	5⅞	+⅝
13⅞	8½	APrec	.32	2.7	8	16	11⅞	11¾	11⅞	
6⅞	3⅞	AmRlty			3	18	5½	6⅛	5½	

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NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page

12 Month High	Low	Stock	Div	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12⅞	9	WstctT	g1.04			30	11½	11⅛	11⅝	-⅛
6⅞	3⅛	WnAirL				2937	u7	6⅝	6⅞	+⅜
17	8⅛	WAir	pf			91	u17⅛	17	17½	+⅜
18⅞	7¼	WCNA		2.3	27 7	790	8⅞	8½	8⅞	+⅛
51¼	46	WCNA	pf7.25	14.		7	50⅞	50½	50½	-⅛
64	50½	WPacl			6	16	57	56¼	57	
54⅞	25⅛	WUnion	1.40	3.4	10	1196	41¼	40⅞	41½	+1
120	56¼	WnUn	pf4.60	4.8		2	96	95	95	+2¼
10	7⅞	WUn	dpf1.18	12.		8	9⅛	9⅛	9⅛	
50	41⅛	WUTI	pf	6.	12	1	49	49	49	-1
21	16	WUTI	pf2.56	13.		8	20½	20	20½	+½
46	21⅞	WestgE	1.80	3.8	9	3842	u47⅞	45½	47½	+2⅞
27½	16½	Westvc	1.20	4.4	11	69	27½	26⅞	27½	+⅝
40⅞	22½	Weyerh	1.30	3.5	41	766	36¼	35⅛	35⅝	+1½
52	30⅞	Weyr	pf2.80	6.0		106	47	46½	47	+¼
54⅞	37½	Weyr	pr4.50	8.7		12	52	51½	52	+⅞
30	12⅛	WhelPit				77	18	17½	18	-⅛
39½	33½	WhPit	pf	6.	15	z220	39⅛	38⅛	38⅛	+1⅛
34	28	WhPit	pf	5.	15	z10	32⅛	32⅛	32⅛	+⅛
47½	23	Whirlpl	1.80	3.9	12	1011	46½	45	46¼	+1
39	22½	WhitC	1.50	4.1	20	305	36½	35½	36½	+⅛
41	35⅛	WhitC	pfA3	7.1		1	u42	42	42	+1
39	31⅛	WhitC	prC3	8.1		6	37	36½	37	+1
35⅞	12⅛	Whitehl			17	162	35⅛	33⅞	35	+1⅞
31⅞	18	Whittak	1.60	6.6	6	407	24⅞	24⅛	24⅞	+⅛
6½	3	Wiebldt			62	549	u7⅛	6⅞	7⅛	+⅝
30⅛	12⅞	WilliaM	1.20	5.8	18	1994	21½	20½	20⅞	+⅞
18⅞	9⅞	WilmEl	.40	2.9	7	346	14	13⅞	14	
11⅞	6½	WilshrO	.07r	.6	10	45	10⅞	10⅛	10⅞	
50⅞	29⅛	WinDx	2.40	5.5	10	15	43⅞	43⅛	43⅞	-⅛
16½	3⅞	Winnbg	.10e	.7	41	783	15½	14½	14⅞	+⅛
6⅞	3⅛	WinterJ				59	5⅞	5½	5½	-⅛
25⅛	18	WisEP	s1.94	8.6	6	2563	22⅞	22½	22½	
24½	19	WisG	pf2.55	11.		2	24½	24⅛	24⅛	
29½	19⅞	WiscPL	2.32	9.3	6	65	25⅛	24⅞	25	+⅜
25⅛	18½	WiscPS	2.12	9.2	8	83	23⅛	23	23	
30½	20⅞	Witco	1.80	6.0	9	80	30⅛	29⅛	29⅞	+⅝

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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

Indices

NEW YORK — DOW JONES

	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 28	1982-83 High	1982-83 Low	Since Cmpil'tn High	Since Cmpil'tn Low
● Industr'ls	1077.91	1064.66	1062.64	1059.79	1075.70	1084.75	1092.35 (10/1/83)	776.92 (12/8)	1092.35 (10/1/83)	41.22 (2/7/32)
H'me Bnds	70.88	70.94	70.64	70.85	70.99	71.05	72.39 (19/1/83)	55.67 (12/2)	—	—
Transport..	465.07	474.67	461.88	461.01	463.55	460.37	485.07 (4/2/83)	292.12 (12/8)	485.07 (4/2/83)	12.32 (8/7/32)
Utilities..	125.05	124.45	124.40	123.94	124.40	123.62	125.78 (29/1/83)	103.22 (30/7)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	87,000	78,880	77,220	82,750	67,140	89,490	—	—	—	—

● Day's high 1081.13 (1075.06) low 1056.75 (1057.05)

	Jan. 28	Jan. 21	Jan. 14	Year ago (Approx)
Indust'l div. yield %	5.08	5.14	5.01	6.35

STANDARD AND POORS

	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	Jan. 28	1982-83 High	1982-83 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls ..	164.51	162.29	160.99	160.71	163.52	162.66	166.78 (13/1/83)	114.08 (12/8)	165.78 (13/1/83)	6.52 (30/6/32)
§Comp's'te	146.14	144.26	143.23	142.96	145.30	144.31	147.77 (13/1/83)	102.42 (12/8)	147.77 (13/1/83)	4.40 (1/6/32)

	Feb. 2	Jan. 26	Jan. 19	Year ago (approx)
‡Indst'l div. yield %	4.45	4.51	4.39	5.64
Indust'l P/E ratio	11.18	11.05	11.36	7.86
Long Gov. Bond yield	10.93	10.87	10.60	14.15

N.Y.S.E. ALL COMMON

Feb. 4	Feb. 3	Feb. 2	Feb. 1	1982-83 High	1982-83 Low
84.29	83.26	82.67	82.61	84.79 (17/1/83)	58.80 (12/8)

Rises and Falls

	Feb. 4	Feb. 3	Feb. 2
Issues Traded	1,909	1,896	1,930
Rises	1,065	965	764
Falls	492	564	791
Unchanged	352	367	375
New Highs	-	117	56
New Lows	—	3	3

MONTREAL

	Feb. 4	Feb. 3	Feb. 2	Feb. 1	1982-83 High	1982-83 Low
Industrials	350.10	346.45	346.12	346.99	366.42 (10/1/83)	249.68 (21/6)
Combined	357.24	354.14	352.96	352.24	348.75 (10/1/83)	237.27 (21/6)
TORONTO Composite	2066.0	2038.5	2061.9	2022.2	2110.9 (10/1/83)	1352.2 (7/7)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Pan Am. Air.	1,782,700	5¼	−¼	IBM	835,000	97⅞	+7⅞
Exxon	1,420,900	29⅝xd	−½	St. Oil Cal.	879,400	33⅝xd	+⅝
Intl. Harvester	1,245,300	5¼	−⅜	ITT	795,200	31⅝xd	−⅛
Dana	1,106,200	34	−¼	ATT	734,500	68⅛	−⅛
Am Home Prod	841,800	43⅛	−⅝	UAL	748,500	36⅞	+1¼

	Feb. 4	Feb. 3	Feb. 2	Feb. 1	1982-83 High	1982-83 Low
AUSTRALIA						
All Ord. (1/1/80)	515.8	527.7	545.1	545.2	585.5 (4/1/82)	445.2 (8/7)
Metal & Minls. (1/1/80)	452.6	470.1	502.2	496.8	502.2 (2/2/83)	299.0 (8/7)
AUSTRIA						
Credit Aktien (2/1/62)	49.04	49.08	49.22	49.26	66.98 (4/11)	47.33 (28/10)
BELGIUM						
Belgian SE (31/12/63)	105.22	105.28	103.62	104.57	105.97 (24/1/83)	88.42 (28/1/82)
DENMARK						
Copenhagen SE (3/1/83)	103.42	105.35	104.42	103.39	104.66 (21/1/83)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	103.6	103.9	104.2	104.9	104.9 (1/2/83)	96.1 (5/1/83)
Ind Tendance (31/12/82)	107.3	107.4	107.5	108.5	108.5 (1/2/83)	98.0 (5/1/83)
GERMANY						
FAZ-Aktien (31/12/58)	253.55	251.67	249.54	250.94	257.56 (5/1/83)	214.08 (17/8)
Commerzbank (Dec 1953)	759.7	757.0	750.3	753.8	777.8 (5/1/83)	650.2 (17/8)
HOLLAND						
ANP-CBS General (1970)	105.7	105.5	105.8	105.7	107.8 (11/1/83)	84.0 (6/1/82)
ANP-CBS Indust (1970)	92.1	92.0	91.1	92.0	95.4 (11/1/83)	83.2 (4/1/82)
HONG KONG						
Hang Seng Bank (31/7/64)	895.45	888.06	894.81	895.65	1445.37 (12/1/82)	676.30 (2/12)
ITALY						
Banca Comm Ital. (1972)	182.98	185.12	(u)	184.59	212.68 (19/5)	147.25 (22/7)
JAPAN**						
Dow Average (16/5/49)	8012.64	7991.29	8198.05	8106.52	8210.02 (8/1/83)	6849.78 (1/10)
Tokyo New SE (4/1/68)	582.69	582.04	588.71	587.85	602.17 (8/1/83)	511.52 (17/8)
NORWAY						
Oslo SE (4/1/83)	130.44	129.15	128.68	127.16	130.44 (4/2/83)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	777.8	782.10	779.26	775.65	810.78 (6/1/82)	567.07 (16/8)
SOUTH AFRICA						
Gold (1958)	1054.4	1079.5	(u)	1099.5	1099.5 (1/2/83)	355.5 (8/7)
Industrial (1958)	829.5	851.8	(u)	824.1	851.8 (3/2/83)	507.5 (28/6)
SPAIN						
Madrid SE (31/12/82)	105.05	103.29	104.15	104.50	104.50 (1/2/83)	98.32 (11/1/83)
SWEDEN						
Jacobson & P. (1/1/58)	1072.65	1049.52	1044.02	1050.71	1072.65 (4/2/83)	563.32 (29/4)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	302.6	301.3	299.9	301.2	302.6 (4/2/83)	237.0 (17/8)
WORLD						
Capital Intl. (1/1/70)	—	157.0	156.0	156.6	162.0 (10/1/83)	118.4 (13/8)

(**) Saturday January 29: Japan Dow 8092.28. TSE 587.59.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

CANADA

HOLLAND

HONG KONG

JAPAN

ITALY

NORWAY

AUSTRALIA

FRANCE

SINGAPORE

SOUTH AFRICA

SWEDEN

Financial Rand US$0.75 (Discount of 19⅞%)

GERMANY

SWITZERLAND

SPAIN

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 19

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
5⅜	2⅞	Steelmt				61	4⅝	4½	4⅝	+⅛
16⅛	9⅞	StepCh	.56	3.8	9	6	14⅝	14½	14⅝	
2⅛	⅞	SterlEl				46	2⅛	2	2⅛	
9⅝	3½	Sprlmn			43	21	9⅛	9	9	
9½	5⅛	Sprk	pf	1	11	5	9	8⅝	8⅝	
19⅞	3⅝	Spectro	s	14	8	11	36 17½	17⅛	17⅛	
4⅛	2⅛	SpedOP	10r	2.5	14	208	4⅛	3⅞	4	
14⅛	6½	Spencer	.08	1.0		301	8⅛	8⅝	8⅝	
18⅝	4⅛	StdMetl				17	16⅛	16⅝	16⅛	
53	13½	StProd	.80b	1.6	10	13	51½	51⅛	51⅛	
8⅝	4⅛	Stanwd			43	12	7⅞	7⅞	7⅞	
6⅛	2⅛	StarrtH				34	6⅞	6⅛	6⅛	
12⅞	7½	Statex			21	20	9⅛	9	9	
15⅛	10⅞	UnRltn	1.33e	8.1	12	247	u16⅛	15⅞	16½	+1⅛
19⅝	5½	USAG	wt			304	u20	18⅞	19⅞	+1⅛
102	37½	USAG	pf	3	2.9	7	u105	99⅞	104⅛	+5⅞
16⅝	13⅝	UnvC	s		35	33	u16⅞	16⅛	16⅛	+½
15⅞	5	UnvRs			8	89	6	5⅝	5⅝	+⅛
V-V-V										
28⅜	10⅞	Valspar	.68	2.6	10	3	26⅛	26⅛	26⅛	+⅛
30⅝	8	Vrbtm	s		27	455	29½	28⅞	29½	+⅛
3⅞	1⅛	Verit			44	7	2⅞	2⅞	2⅞	
X-Y-Z										
42½	27⅛	Xerox	3	8.0	7	4578	37½	36⅞	37⅛	+⅛
51⅛	49⅛	Xerox	pf5.45	11		400	49⅛	49½	49⅛	+⅛
22⅛	10⅛	XTRA		3.1	23	73	21	20½	20⅛	+½
25	17⅞	ZaleCp	1.26	5.7	30	27	22½	22	22⅛	
27	11⅝	Zapata	.84	4.9	4	447	17	16½	17	+½
71	25⅛	Zayre	.40b	.6	15	x53	63½	61½	63½	+2⅞
16⅝	9⅛	ZenithR				303	14⅞	14⅛	14⅝	+½
32½	16⅝	Zero	.56	1.9	15	35	29½	29½	29½	
32½	18	Zurnin	1.32	4.3	8	45	30⅝	30⅝	30⅝	−⅛

NEW YORK CLOSING PRICES

Continued from Page 19

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Spring Fair (01-499 7324) (until Feb 10)	NEC, Birmingham
Feb 9-10	Business Equipment and Services Exhibition (Bournemouth (0202) 20533)	Bournemouth
Feb 10-11	Lasers at Work—a Live Exhibition ((0480) 66299)	Stukely Meadows Industrial Estate, Cambridgeshire
Feb 13-16	International Men's and Boys' Wear Exhibition—IMBEX (031 705 6707)	Olympia
Feb 14-17	Spring Floorcoverings Fair (02432) 5537	Metropole Exhibition Halls, Brighton
Feb 19-27	Birmingham Post/Evening Mail Boat and Caravan Show ((021) 236 3366)	NEC, Birmingham
Feb 20-22	Video Software Show (01-686 2599)	Heathrow Penta Hotel
Feb 22-24	British Yarns Show (Bradford (0274) 490067)	Holiday Inn, Leicester
Feb 22-25	Information Technology and Office Automation Exhibition INFO '83 (01-647 1001)	Barbican
Feb 28-March 4	3rd International Food and Drink Exhibition (01-486 1951)	Olympia
March 1-3	Mailing Efficiency Exhibition (01-405 6233)	Bloomsbury Crest Hotel, W1
March 6-8	International Exhibition for the Automotive Parts and Accessories Industry—AUTOPARTAC ((0494) 41548)	Barbican, EC2
March 8-11	International Powder and Bulk Solids Technology Exhibition and Conference (01-686 5741)	NEC, Birmingham
March 21-25	International Engineering Inspection and Quality Control Exhibition—INSPEX (01-643 8040)	NEC, Birmingham

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Middle East Electricity and Electronics Exhibition (01-935 8200) (until Feb 9)	Jeddah
Feb 9-12	International Fair for Household Appliances Fittings and Components—DOMOTECHNICA (01-730 4645)	Cologne
Feb 11-14	International Exhibition of Household Goods, Glassware, Ceramics, Software and Gifts—MACEF (01-242 7829)	Milan
Feb 21-25	Environmental Pollution Control Techniques ENVITECH (01-730 4645)	Amsterdam
Feb 21-25	Environmental Pollution Control Techniques Exhibition—ENVITEC (01-730 4645)	Dusseldorf
Feb 26-March 2	International Spring Fair (01-734 0543)	Frankfurt
March 8-10	The Semicon/Europa '83 Electronics Show (01-353 8807)	Zurich
March 8-10	9th International Electronics Show and Technical Symposia—SEMICON Europa '83 (01-353 8807)	Zurich
March 11-16	International Exhibition for the Hotel Catering Bakeries and Confectioners ((0202) 732648)	Hamburg
March 14-17	Computer Graphics Exhibition (01-749 3061)	Berlin
March 24-27	International Trade Fair for Garage Equipment—AUTOVAK (01-228 2880)	Amsterdam

BUSINESS AND MANAGEMENT CONFERENCES

Current	RRG: Advanced reinsurance practice (01-236 2175) (until Feb 11)	Royal Wstmnstr. Htl., London
Feb 9	Industrial Society: Informing and consulting employees watchpoints for 1983 (01-839 4300)	Peter Runge House, SW1
Feb 9-10	*FT conference: Pensions in 1983 (01-621 1355)*	*Inter Continental Hotel, W1*
Feb 16-17	FT Conference: Foreign exchange risk 1983 (01-621 1355)	Grosvenor House, Park Lane, W1
Feb 21-22	FT conference: Automated manufacturing—adopt or decline? (01-621 1355)	Royal Lancaster Hotel, W2
Feb 22	Institute of Directors: International conference (01-839 1233)	116 Pall Mall, SW1
Feb 22	Macfarlane Conferences: Tax avoidance prevention (01-637 7438)	Royal Garden Hotel, W8
Feb 22-23	Oyez IBC: Cleaner technologies—making pollution prevention pay (01-236 4080)	Sudbury Conf. Centre, EC1
Feb 23	BIM: Profiting from UK sources of supply (Northants (05363) 4222)	Cafe Royal, W1
Feb 23	CBI: Controlling absenteeism (01-379 7400)	Centre Point, WC1

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

Financial Times Conferences

AUTOMATED MANUFACTURING — ADOPT OR DECLINE?
London — February 21 and 22, 1983
This meeting, under the Chairmanship of Sir Monty Finniston and Joseph Engelberger of Unimation, will consider new manufacturing technologies and the implications for management. The distinguished panel of speakers will include Mr Dick Daubenmire, IBM Europe; Mr C. R. Meyer, Cincinnati Milacron; Mr Bjorn Weichbrodt, ASEA AB and Mr Donald Grierson of General Electric.

THE OUTLOOK FOR WORLD GRAINS
London — March 22 and 23, 1983
The Financial Times has joined forces with the International Wheat Council to arrange this conference which will review changes in the industry worldwide and the emergence of new trading patterns. Richard Lyng, U.S. Deputy Secretary of Agriculture; Poul Dalsager, EEC Commissioner for Agriculture; Arthur Dunkel of GATT and Esmond Jarvis from the Canadian Wheat Board will be presenting papers.

THE EUROMARKETS IN 1983
London — March 8 and 9, 1983
This conference will include the following principal speakers: Mr Peter Leslie, Barclays Bank International Ltd; Mr Geoffrey Bell, Schroder International Ltd; Dr Michael von Clemm, Credit Suisse First Boston Ltd and Mr Giovanni Franzi of Merrill Lynch International Bank Ltd.

Please address all enquiries to:

The Financial Times Limited
Conference Organisation
Minster House, Arthur Street
London EC4R 9AX

Tel: 01-621 1355
Telex: 27347 FTCONF G
Cables: FINCONF LONDON

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

MITSUBISHI GAS CHEMICAL COMPANY, INC.

(Mitsubishi Gas Kagaku Kabushiki Kaisha)

6 per cent. Convertible Bonds 1992
(the "Bonds")

NOTICE IS HEREBY GIVEN that, in accordance with the provisions of the Trust Deed dated as of 29th June, 1977, between Mitsubishi Gas Chemical Company, Inc. (the "Company") and The Industrial Bank of Japan Trust Company, under which the above-described Bonds were constituted, the Company has elected to exercise its right to, and shall, redeem on 31st March, 1983, all of its outstanding Bonds at a redemption price of 103% of the principal amount thereof together with accrued interest to such date of redemption.

The payment of the redemption price will be made on and after 31st March, 1983, upon presentation and surrender of the Bonds, together with all coupons appertaining thereto maturing on or after 31st March, 1983, at any of the following Paying Agents:

The Industrial Bank of Japan Trust Company
245 Park Ave., New York City, N.Y. 10167.
The Industrial Bank of Japan, Limited
Bucklersbury House, Walbrook, London EC4N 8BR.
The Mitsubishi Bank, Limited
6 Lombard Street, London EC3V 9AA.
The Mitsubishi Trust & Banking Corporation
8-13 King William Street, London EC4P 7BQ.
Westdeutsche Landesbank Girozentrale
Friedrichstrasse 56, 4000 Düsseldorf.
Swiss Bank Corporation
Paradeplatz 6 CH-8022, Zürich.
Morgan Guaranty Trust Company of New York
Avenue des Arts 35, B-1040 Brussels.
Kredietbank S.A. Luxembourgeoise
43, Boulevard Royal, Luxembourg.
The Bank of Tokyo, Ltd.
4-8, rue Sainte-Anne, Paris 1er.
The Bank of Tokyo (Holland) N.V.
Keizersgracht 603, Amsterdam-C.

From and after 31st March, 1983, interest on the Bonds will cease to accrue.

The Bonds may be converted into shares of Common Stock of the Company at the conversion price (with Bonds taken at their principal amount translated into Japanese Yen at the rate of ¥ 272 equals U.S. $1) of ¥ 217.20 per share of Common Stock. Each bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unmatured coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which notice is available from any of the Conversion Agents). SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON 31st MARCH, 1983.

For the information of the bondholders, the reported closing price of the Common Stock of the Company on the Tokyo Stock Exchange on 31st January, 1983 was ¥ 237 per share.

MITSUBISHI GAS CHEMICAL COMPANY, INC.
By The Industrial Bank of Japan Trust Company,
as Principal Paying Agent

Dated: 7th February, 1983

CONTRACTS AND TENDERS

PROCUREMENT NOTICE FOR THE SUPPLY OF PIPING, ELECTRICAL AND INSTRUMENTATION MATERIALS

Under the coverage of the *Bati Raman Enhanced Oil Recovery Project* whose foreign currency requirements will be financed through a World Bank Loan, Turkish Petroleum Corporation intends to solicit bids for the supply of the following materials:

1. Bulk quantities of pipe, valves and fittings made of carbon steel, stainless steel, epoxy-lined carbon steel, galvanised steel, glass-reinforced polyester resin and polyvinyl chloride.
2. Electrical materials consisting primarily of cable and wire. Cables will include 5.8/10 KV XLPE-insulated, single conductor copper power cables and 0.6/1 KV PVC-insulated, single and multi-conductor copper power and control cables.
3. Miscellaneous instrumentation items including pressure gauges, orifice elements, senior orifice elements with calibrated meter runs, flow and temperature recorders, gauge glasses, level indicators, control valves, level switches and transmitters, pressure controllers and regulators, relief valves, dial thermometers and thermowells. Preferred vendors will be named for each instrument item.

Manufacturers and suppliers interested in submitting bids for these materials should contact Turkish Petroleum Corporation at the address below before February 26, 1983. Interested companies will be placed on a bidders' list and will be informed when the bid documents are available. No further advertisement will be made. There will be a certain charge for the bid documents.

TURKISH PETROLEUM CORPORATION
Attention: Mr. Bumin Gurses
Production Group, Mudafaa Cad. No. 22
Ankara, Turkey
Telex: 42426 TPAO TR

REPUBLIQUE ALGERIANNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)
MINISTERE DE L'ENSEIGNEMENT ET DE LA RECHERCHE SCIENTIFIQUE
(Ministry for Education and Scientific Research)
DIRECTION DE L'INFRASTRUCTURE ET DE L'EQUIPEMENT UNIVERSITAIRE
(Directorate for University Infrastructure and Equipment)
S/DIRECTION DES MARCHES & CONTRATS
(Sub-Directorate for Purchases and Contracts)

NOTICE OF EXTENSION OF TIME FOR SUBMISSION OF TENDERS

Companies and firms interested in the announcements of International Calls for Tender Nos. 20/82, 21/82, 22/82, 23/82, 24/82, and 25/82 "SDMC," which appeared in the national daily newspaper "EL MOUJAHID" on 22/12 and 23/12/82, are hereby notified that the final dates for submission of Tenders, initially fixed for 5 and 6 February 1983, have been extended by 15 days.

Interested parties are reminded that tender dossiers can be obtained from the Siege du *Ministère de l'Enseignement et de la Recherche* Scientifique (Ministry for Education and Scientific Research), Sous-Direction des Marchés et Contrats (Sub-Directorate for Purchases and Contracts), 1 Rue Bachir Attar, Place de 1er Mai, Alger (Algiers).

BY ORDER OF THE SECRETARY OF STATE FOR DEFENCE

Sale by Tender
High Quality Metal Alloys

The Ministry of Defence invites applications to tender for the purchase (in approx. 150 lots of varying sizes) of about 600 tonnes of high quality metal alloys (mostly aluminium but also titanium, stainless steel and nimonic) in bar, sheet, plate and tube form. Specifications, quantities and dimensions will be notified with the tender forms.

Applications for tender documents should be made to Ministry of Defence, Procurement Executive (FT), Sales Support 6a8, Room 1/182, St Christopher House, Southwark Street, London SE1 0TD by 18 February 1983.

COMPANY NOTICES

ISTITUTO MOBILIARE ITALIANO (IMI)

25, Viale dell'Arte—00144 ROME
The Ordinary General Meeting of holders of floating rate notes 1982-1992 ISTITUTO MOBILIARE ITALIANO, held on January 31, 1983, has appointed:
—as permanent representatives:
Melle Janine ARNAUT, residing 69 rue Ganneron, 75018 PARIS (France)
M. Georges HENRARD, residing 52 impasse de la Halte, 78870 BAILLY (France)
—as substitute representatives:
Melle Annick LE GALL, residing 79, rue Villiers de l'Isle Adam, 75020 Paris (France)
M. Jean-Pierre CLEMENT, residing 160, rue d'Aubervilliers, 75019 PARIS (France)

The Deputy General Manager:
EFISIO CAO DI SAN MARCO

FONDS DE REETABLISSEMENT DU CONSEIL DE L'EUROPE POUR LES REFUGIES NATIONAUX ET LES EXCEDENTS DE POPULATION EN EUROPE
Principal Office:
67006 STRASBOURG (France)
Headquarters of Operational Services:
55, avenue Kléber, 75116 PARIS

The Ordinary General Meeting of holders of bonds 14.25% 1982-1990 FONDS DE REETABLISSEMENT DU CONSEIL DE L'EUROPE POUR LES REFUGIES NATIONAUX ET LES EXCEDENTS DE POPULATION EN EUROPE, held on January 31, 1983, has appointed:
—as permanent representatives:
M. Pierre TISSOT, residing 10, rue Noël le Dudal—92390 VILLENEUVE-LA-GARENNE
M. Jean-Pierre SARRAZIN, residing 9, rue Léon Cogniet—75017 PARIS
—as substitute representatives:
Melle Annick LE GALL, residing 79, rue Villiers de l'Isle Adam—75020 PARIS
M Jean-Pierre CLEMENT, residing 160, rue d'Aubervilliers—75019 PARIS

THE GOVERNING BODY

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. 110th ANNUAL WATER-COLOUR EXHIBITION. Until 25th Feb. Mon.-Fri. 9.30-5.30; Thurs. until 7.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. LARGE LANDSCAPES & TOWNSCAPES. Lr. gallery Scottie Wilson.

JOAN EARDLEY at BROWSE & DARBY, 19, Cork St., W.1. 01-734 7984.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

SANDFORD GALLERY, 1, Mercer St., WC2. "THE ART CRITICS" Art Show. Tues.-Sat. 12-5.30 pm.

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EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

THE GASLIGHT OF ST. JAMES'S. London's most exciting businessman's night time retreat. No membership needed. 2 bars, dozens of dateable companions. Intriguing Cabaret Acts. Happy hour 8-9 pm. If required, superb three-course dinner, only £9.75, plus service and tax. Entrance fee £5.75 (£5 refunded to diners ordering before 9 pm). Mon.-Fri. 8 pm-2 am, Sat. 9 pm-2 am. 4, Duke of York Street, SW1. Tel 01-930 1648/4950.

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■ Brown Shipley	11 %	Trade Dev. Bank	11 %
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■ Charterhouse Japhet	11 %	Westpac Banking Corp.	11 %
Choulartons	11½%	Whiteaway Laidlaw	11½%
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Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	12 %	Yorkshire Bank	11 %
Comm. Bk of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	..		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¼%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

THE WEEK IN THE COURTS

Looking at the bounds of tolerance

FREEDOM of speech is such a valuable commodity in a democratic society that even the more intolerable abuses of the *power of communication ought* to be tolerated. But there are limits to the degree of public tolerance. The question which faced the Press Council in its inquiry into press conduct in the Sutcliffe case* was whether the bounds of tolerance were breached.

If one welcomes, as one should, the council's *flexing* of its muscles on this occasion, indicating Press willingness to discipline itself, there are dangers that the council's sense of moral outrage will outstrip the desired control over journalists and publishers.

There were three broad areas involved in the inquiry: pre-trial *publicity of a notorious* criminal case; the harassment of individuals associated with the *case, who might or might not* be witnesses at the trial; and chequebook journalism, whereby those associated with the criminal are enticed to reveal information in return for varying sums of money. Each area *requires slightly different treat*ment.

The administration of justice *clearly needs to be protected* from media coverage. The law relating to contempt of court is well established, even if it has not always been clear in the breadth of its application. At the time of the Ripper trial it was in some respects unclear, and to that extent the criticism of the Press has to be muted.

Indeed, the fact that the Attorney-General saw fit not to take contempt proceedings against any newspaper or broadcasting agent is some grounds for the Press Council not being too censorious. Unhappily the new legislation, the Contempt of Court Act 1981, has not provided that degree of clarity that was *claimed for it by the Lord* Chancellor and other parliamentarians. The strict liability for *conduct that tends to interfere* with the course of justice only in relation to a publication that creates a *substantial* risk of serious impediment or prejudice to a trial has been interpreted by Lord Diplock, in the case against the Daily Mail over the trial of Dr Arthur, in much too *broad a manner.*†

"Substantial" is now to be read as excluding a risk that is only remote. All publications about a defendant in a forthcoming trial must entail some risk of prejudice, but it is not enough to refrain from castigating a newspaper for an insubstantial risk.

Surely only a *serious* risk should be visited with the sanction of contempt. We shall have to wait and see what the High Court says in the most recent contempt case against five newspapers over the reporting of the case of Michael Fagan (the case is under judgment). Given the state of the law before the new Act, the Press Council nevertheless is amply justified in concluding that the cumulative effect of *the media coverage, reaching* almost saturation point, was to convey the clear impression that an unconvicted man was beyond any doubt guilty of a number of horrendous murders.

If the law has been actively *engaged in protecting the* administration of justice, it has been inert to protect the individual citizen against the unwarranted and unsolicited attention of journalists. For some time now there has been a growing desire among law reformers that the courts, in the absence of an active legislature, should develop an actionable wrong of invasion of privacy.

So far, there has been little inclination or indication that the courts are willing to go along that road. Too often *judges are keen to spell out a* wrong committed against proprietorial rights, but display too little fondness for protecting the human rights to be left alone that finds no guarantee in English law.

The Press Council could hardly have come to any other conclusion, that relatives of *the victims and of the accused* were subjected to wholly unacceptable and unjustified pressures by those anxious—indeed, over-anxious—to get their stories for their papers.

Again, *if the law were to* replicate its attitude in libel law to protecting the reputation *of individuals by protecting* them against the unwanted attention of reporters, there might be a powerful deterrent on what journalists felt was the limit of their right to investigate stories.

It would be helpful if the courts could develop a case law in this area. The task of the Press Council in surveying newspapers' activities would then be that much easier.

The most disturbing element in the whole episode surrounding Press coverage concerns the financial profit to be made out of sensational criminal activity, although it is altogether too emotive to describe this aspect as "abhorrent and distateful" (as the Press Council does, in echoing some public comment). The Press Council starts by stating *the obvious, that it is wrong that* an offender should benefit from his crime. There is an overwhelming case for strengthening the present law relating to the forfeiture of property obtained through crime. Thereafter, the Press Council is altogether too glib when it asserts in its guidelines, that "it is *wrong that persons associated— including* friends, neighbours and colleagues — with *the* criminal (note: not the criminal activity) should derive financial benefit from trading on that association."

Doubtless such financial benefits arouse anger among the victims of violent crime and *their families*, but that understandable reaction should be, and is, assuaged by the right to make a claim against the public fund compensating victims of crimes of violence.

It would be unfortunate if, say, the spouse of a murderer were not able to publish her account for profit. After all, she *may have to bear the guilt of* having lived with and given comfort wholly unsuspectingly *to, a homicidal maniac.* Although the Press Council gives a nodding acknowledgement to the exceptional case, where there is an overriding public interest in publication, there is no general recognition of *the potential*, criminological material inherent in accounts of crime.

As a society we will be immeasurably better off in understanding the psychopathology of murder if we can read the accounts of murder. No dampener should be placed on our ability to know more than we know now. *The conclusion* is that the Press Council, in its commendable aim to try and put *Fleet Street's house in order*, has been too precipitate in laying down rules, far too sweeping, to suppress the memoirs of criminals and the tales that can be told by those who have associated with the criminal.

None of this is intended to undervalue the role of the Press Council as the public's unofficial watchdog over the newspapers. The very voluntariness of its functions is a strength that should not be lost. To ward off *any moves to put such a watchdog* on a statutory basis the council could do more in its procedures to gain acceptance for its reports both by the public and the press.

In order that it should enhance its reputation for fairness in chastising the press, as and when chastisement is called for, the Press Council might develop a technique that has been developed elsewhere.

When the council embarks on an inquiry on its own initiative — as opposed *to* investigating a complaint from an individual *citizen — there would be a distinct* advantage, when it has reached a provisional conclusion following a thorough review, to invite the relevant newspaper to appear before it to say why the provisional conclusion *ought* not to be made public. That would be an added safeguard against any suggestion of unfairness. *Any newspaper* that declined such an offer would decisively condemn itself in the eye of all reasonable people.

* *Press Conduct in the Sutcliffe Case, published by the Press Council, £3.00*

† *Attorney-General v English [1982] 3 W.L.R. 278*

Justinian

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6124
Equity Accum. (2) ... 333.6 358.8 ... 3.44

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Save & Prosper—continued
Sector Funds

Commodity	153.7	163.4	-1.5	1.93
Energy	119.8	128.9	+0.8	1.97
Exploration Fund (z)	35.3	37.9	-0.5	0.23
Financial Secs	124.5	134.0	-0.6	2.99
New Technology (z)	73.3	78.8	+0.2	0.23
Scottish	59.5	64.3	-0.3	3.13
Special Situation Fd	47.8	51.6		2.90
Intl. Bond Fd	75.8	81.5	+0.2	1.79

Exempt Funds

Exempt Income*	241.4	254.8		7.26
Exempt Intl.*	445.1	469.8		1.30

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol 0272 732241

Capital	193.8	205.6	-0.8	3.57
(Accum. Units)	314.6	333.6	-0.8	3.57
Income	111.8	118.6	+0.3	8.67
(Accum. Units)	286.4	303.6	+0.4	8.67
Pref.	100.0	107.4		11.93
(Accum. Units)	190.8	205.2	+0.2	11.93
Exempt	150.8	162.2	+0.2	8.31
(Accum. Units)	288.0	309.6	+0.4	8.31
Int. Erns	90.6	97.4	+0.2	4.01
(Accum. Units)	121.2	130.4	+0.4	4.01
North Amer Grth	89.4	95.1	+0.9	1.84
(Accum. Units)	99.2	105.9	+1.0	1.84

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		219.60	.....	—
Managed Inv. Fd.	147.51	155.28	...	—
Property Fd.	145.15	152.79	...	—
Fixed Interest Fd.	132.45	139.43	...	—
Cash Fd	131.15	138.06	..	—
Income Fd.	149.35	157.22	...	—
Extra Income Fd.	140.91	148.33	.....	—
Worldwide Growth Fd	193.19	203.26	.....	—
Balanced Fd.	157.84	166.15	.....	—
Smlr Co's & Recy. Fd	184.56	194.55	...	—
Int. Technology Fd	223.17	235.76	...	—
Nth. Amer. & Gen. Fd.	139.77	147.13	.....	—
Energy Int. Fd.	89.87	94.60	..	—
Pacific Basin Fund	114.76	120.80	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	93.9	98.9	+2.7	—
International	101.7	107.1	-0.5	—
Property	102.2	107.6	+5.0	—
Deposit	95.5	100.5	+0.1	—
Fixed Interest	93.5	98.4	+0.4	—
Managed	98.2	103.4	+1.8	—
Equity Pens Cap.	93.4	98.3	+3.4	—
Intnl. Pens. Cap.	102.7	108.1	-0.7	—
Property Pens Cap	103.9	109.4	+6.6	—
Deposit Pens Cap	95.3	100.3		—
Fixed Int Pens Cap	93.0	97.9	+0.5	—
Managed Pens Cap	98.7	103.9	+1.8	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Feb 1		85.2	.....	—
Rtmt. Fed. Jan 7		204.4	.....	—
Managed Pen Fund	160.7	169.1	...	—
Property Pen Fund	109.5	115.3	...	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	119.7	126.1	-0.4	—
GT Pln High Yld Fnd	105.9	111.5	+1.4	—
GT Plan Far East Fnd	95.2	100.3	-1.1	—
GT Pln N Am Fund	148.5	156.4	-2.1	—
GT Pln UK&G.E. Fnd	121.1	127.5	-2.9	—
GT Pln Wrldwde Fnd	115.0	121.1	+0.1	—
GT Pension Bnd Fnd.	125.5	132.2	-0.4	—
GT Pen High Yld Fd	118.1	124.4	+1.7	—
GT Pen Far East Fd	100.9	106.3	-1.0	—
GT Pen N. Am. Fd	183.8	193.5	+0.6	—
GT Pen UK & G E. Fd	133.4	140.5	+3.8	—
GT Pen Worldwide Fd.	121.5	127.9	.....	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	158.9	167.3		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc		220.3	.....	—
Portfolio Fd. Init.		187.7	..	—
Portfolio Fd. Cap.		213.5	..	—
Portfolio Man. Acc.	67.7	71.3	...	—
Portfolio Man. Init.	60.2	63.4	..	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1425	...	—
Landbank Secs.		64.05	...	—
Landbank Sec. Acc.	173.3	177.8	..	—
G. & S. Super Fd.		£10.734	...	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	299.3	311.7	..	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	59.9	63.1		—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr. Feb 1	55.2	58.8		—
MM Flexible Feb 4	47.8	50.4	-0.6	—
Fixed Interest Feb 1.	51.6	54.4		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol BS1 6EA 0272-279179

Equity	202.6	208.6		—
Fixed Interest	146.7	147.9	.....	—
Property	158.3	163.0	..	—
Deposit	137.2	137.2	..	—
Mixed	173.6	177.4	..	—
Indexed Stk	113.5	114.0	..	—

London Life Managed Funds Ltd.

Equity (P.)	145.1	150.1	..	—
Fixed Int. (P.).	145.9	146.9	..	—
Property (P.)	115.9	119.9	.	—
Deposit (P.).	114.5	114.5	.	—
Mixed (P.)	137.4	140.9	.	—
Indexed Stock (P.)	119.5	120.3	...	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap	258.7	—	+1.5	—
Invest. Tst. Fd. Acc	266.5	—	+1.6	-8.2
Property Fund Cap.	116.3	—	—	—
Property Fund Acc.	119.7	—	..	-3.2
Flexible Fund Cap.	172.2	—	+1.9	—
Flexible Fund Acc	176.1	—	+1.9	-2.5
Fixed Int. Fd. Cap	130.7	—	+1.5	—
Fixed Int. Fd. Acc	134.8	—	+1.5	—
Gtd. Deposit Fd. Cap	136.9	—	.	—
Gtd. Deposit Fd. Acc	140.1	—	.	—
Equity Fund Cap.	125.7	—	+2.6	—
Equity Fund Acc.	129.3	—	+2.6	—
International Fd. Cap.	129.5	—	-0.6	—
International Fd. Acc.	132.9	+0.6		—
Capital Gwth. Fd.	378.7	—	+3.3	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund	281.1	.....	—
Property Fund (A).	274.0	..	—
Agricultural Fund	1049.9	...	—
Agric. Fund (A)	1029.4		—
Abbey Nat. Fund	222.4	..	—
Abbey Nat. Fd. (A)	221.6	..	—
Investment Fund	123.6	..	—
Investment Fund (A)	122.0		—
Equity Fund	371.3	-0.2	—
Equity Fund (A)	365.3	+0.2	—
Money Fund	205.4	+0.4	—
Money Fund (A)	201.9	+0.3	—
Actuarial Fund	195.5		—
Gilt-edged Fund	173.4		—
Gilt-Edged Fd. (A)	173.7	-0.7	—
Retire Annuity	173.7	-0.7	—
Immed. Annuity	194.0	.	—
International Fd	223.0		—

Prop. Growth Pensions & Annuities Ltd

All Wther Ac. Uts	225.1	237.0	.....	—
Inv. Fd. Uts		260.4	.	—
Pension Fd. Uts		236.0	.	—
Conv. Pens. Fd		265.7	.	—
Cnv. Pns. Cap. Ut.		203.7	...	—
Man. Pens. Fd		289.0	.	—
Man. Pens. Cap. Ut		230.6	.	—
Prop. Pens. Fd.		265.3	.	—
Prop. Pens Cap Uts		206.0	..	—
Bldg. Soc. Pen. Ut		236.3	.....	—
Bldg. Soc. Cap. Ut		185.8		—
Gilt Pens. Fd		150.2	-0.5	—
Gilt Pens. Fd. Cap		134.6	-0.6	—
Equity Pens. Fd		215.6		—
Equity Pens. Fd. Cap		193.5	.	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc	93.2	98.4	.	—
Fixed Interest Acc	82.9	87.5	.	—
Intnl. Acc.	76.0	80.2	....	—
Managed Acc.	84.3	88.9	.	—
Property Acc.	106.1	112.0	.	—

OFFSHORE AND OVERSEAS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
17S	17Mar	Treasury 12pc 1983‡‡	100 1/16	11.8	11.99	11.28
18Ja	18Jul	Treasury 9¼pc '83	99½	13 12	9.30	10.47
22May	22N	Exch. 13½pc '83	101⅞	18 10	13.25	10.85
12Jun	12D	Exch. 10pc 1983	99¼	5 11	10.06	9.30
15Jul	15Ja	Funding 5½pc '82-84‡‡	96¼	9 12	5.68	9.18
20Aug	20F	Exch. 11¼pc 1984	100¼xd	14 1	11.22	12.01
22N	22May	Exchequer 14pc. 1984	103 1/16	18 10	13.58	11.35
19D	19Jun	Exch. 3pc 1984	93¼	12 11	3.22	8.33
26Mar	26S	Treasury 12pc 1984	101 1/16	30 8	11.87	11.15
22Aug	22F	Treasury 15pc 1985	106⅜xd	17.1	14.10	11.43
22S	22Mar	Exch. 12pc Cnv '85	102½	16 8	11.71	10.55
21N	21My	Treasury 3pc 1985	89⅛	15 10	3.36	8.19
15Jan	15Jul	Treasury 11½pc 1985	100¼	9 12	11.41	11.15
3 Sept		Treas 8¾pcCnv '85	97⅛	—	9.01	10.02
22May	22N	Exch 12¼pc 1985	101⅞	18 10	12.02	11.41
25 Aug	25F	Exch. 11¾pc '86	100⅞xd	19 1	11.65	11.42
19N	19May	Treasury 3pc 1986	86⅛	13 10	3.47	7.79
12D	12Jun	Treasury 12pc '86	101 11/16	5 11	11.80	11.36
10Ja	10Jul	Treasury 8½pc '84-86‡‡	95¾	6 12	8.88	10.00
14Ja	14Jn	Treas. 12¾pc '86 Cnv	106⅝	8 12	11.49	9.24
29Apr	29Oct	Exch. 14pc 1986	107 1/16	22 9	13.08	11.58
22Jul	22Jan	Exch. 13¼pc 1987	105¼	16 12	12.59	11.55
—		Exchequer 2½pc 1987	83⅞	—	2.98	7.16
Oct 6	Apr 6	Exch 10½pc 1987	97¼	—	10.80	11.33
1N	1May	Funding 6½pc '85-87‡‡	91	27.9	7.14	9.11
14Ja.	14Jul	Treasury 3pc 1987	85	8 12	3.53	7.00
3 May	3N	Treas. 12pc 1987	101⅛	27 9	11.84	11.59
26Jul	26Ja	Treasury 7¾pc '85-88‡‡	91	20 12	8.52	10.10
Five to Fifteen Years						
—		Exch 10½pc '88	97¼	—	11.04	11.75
1Ja	1Jul	Transport 3pc '78-88	78¼	25.11	3.82	8.00
25Ap	25Oct	Treas. 9½pc '88	93¼	—	10.38	11.56
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
Financial						
20J	20D	FFI 14pc '83	101⅞	31 5	13.73	11.78
31M	30N	FFI/UK Fn6¼pcDb '81-84	92½	1 11	6.88	12.20
11Ja	11J	Do 10½pc Uns.Ln '86	97½	29 11	10.88	11.90
11Ja	11J	Do 11pc Uns Ln. '88	97½	29.11	11.40	11.80
11Ja	11J	Do. 11¾pc Uns.Ln '90	98½	29 11	12.07	12.35
14Mr	14S	Do. 12½pc Un Ln. 1992	102¼	16.8	12.75	12.75
30J	31D	Do. 7¼pc A Deb '89-92	74½	29 11	9.92	11.80
31M	30S	Do. 7¼pcADeb. '91-94	74½	16 8	11.90	18.21
31M	30S	Do. 9pc 'A' '91-94	84½	16.8	11.14	12.20
31A	28F	Do. 8⅞pcLn. '92-97	77xd	17.1	11.53	12.20
Building Societies						
1 Aug	7 Feb	Nat'wide 15⅝pc 7.2.83	100⅛	10 1	—	—
8 Aug	14 Mar	Do. 14¾pc 14.3.83	100⅛	9.8	14.23	12.78
29 Sep	4 Ap	Do. 14¼pc 4.4.83	100⅛	31.8	14.20	11.55
19Oct	25Mar	Do. 14¾pc 25.4.83	100⅝	20 9	14.66	11.31
17 Nv	23 Mar	Do. 13⅞pc 23.5.83	100½	18 10	13.81	11.90
7Dec	13June	Do. 13⅞pc 13.6.83	100¼	8 11	13.83	11.46
28Dec	4July	Do. 14pc 4.7.83	100⅞	29.11	13.88	11.58
19Jan	25July	Do. 13⅛pc 25.7.83	100⅝xd	19 1	13.04	11.73
9Feb	15Aug	Do. 11⅞pc 15.8.83	100⅜xd	19 1	11.83	11.21
23Feb	30Aug	Do. 11¼pc 30.8.83	100	29.1	11.25	11.33
27 Mar	3 Oct	Do. 11⅜pc 3.10.83	99⅞	—	11.45	12.44
—		Do. 9½pc 31.10.83	98½	—	10.09	12.16
—		Do. 9⅞pc 28.11.83	98⅝	—	10.04	12.07
—		Do. 11¼pc 19.12.83	99½	—	11.31	11.90

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued.

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		♥Anglo-Dominion	90	—	—	—	—
—		♥Anglo Utd. Dev.	87	—	—	—	—
		For Burma see Southwest Res					
—		♥Colby Res Corp.	135	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c.	415	23.12	‡Q60c	1.9	‡
—		‡‡Explaura Gold	4½	—	—	—	—
—		♥Highwood Res	150	—	—	—	—
—		Homestake Mining $1	£38½	—	Q40c	—	0.6
—		Northgate C$1	485	977	—	—	—
Jan.	July	R T Z	548	1.11	16.0	1.6	4.2
Jan	July	Do. [illegible]	£122	1.11	Q9½%	23.9	f7.8
—		♥Sabina Inds C$1	30	—	—	—	—
	May	‡Southwest Res 10p	17	13.12	—	—	—
—		♥Tara Exptn $1	495	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding *exceptional profits/losses but including estimated extent of offsettable* ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ✤ Not comparable
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Hoping for a discount rate cut

BY COLIN MILLHAM

Sterling's trade - weighted index was little changed last week, finishing at 81.0, compared with 80.9 on the previous Friday. The pound advanced against Continental currencies and the yen, but it was the performance against the dollar that most concerned the financial markets. On Wednesday sterling fell to a record low of $1.5130-1.5140, and finished at an all time closing low of $1.5145-1.5155. Oil prices continued to dominate sentiment, but the pound probably gained some support from reports of a likely $4 per barrel cut in Opec prices, because this removed some of the nervousness about downward spiraling oil prices.

The dollar began the week rather nervously ahead of the presentation to Congress of the U.S. Budget. Eurodollar rates rose in these uncertain conditions and some central bank intervention may have been required to stem the dollar's advance. Concern about next month's German general election and better than expected U.S. unemployment figures also encouraged dollar buying at different times, while the Treasury refunding programme had varying influences during the week. A good result to the 10-year note auction pushed down New York interest rates and encouraged some selling of the U.S. currency, but this was tempered by lingering doubts about the future direction of the markets.

A senior trader at one of the U.S. banks in London was prepared to suggest on Friday that the U.S. discount rate will be cut by ½ per cent in the next two weeks, but warned that he *is probably something of a lone* voice in still looking for a reduction. Political reasons, including high unemployment despite Friday's better figures, may still encourage a move from the Fed, since interest rates are about twice the level of inflation.

A discount rate cut was certainly expected a few weeks ago, but confusion about U.S. monetary policy and concern about the budget deficit have pushed such thoughts into the background recently. Perhaps any further dollar advance and continuing bad trade figures may turn attention in that direction once again. It would certainly be a popular move.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.5195	1.5171	1.5129	1.5092	1.5043
D-Mark	3.7625	3.7463	3.7125	3.6671	3.5867
French Franc	10.6650	10.700	10.9050	11.1207	11.3366
Swiss Franc	3.0950	3.0750	3.0326	2.9834	2.8912
Japanese Yen	365.5	364.2	361.4	357.5	350.7

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	44.9708	—	+1.28	±1.5501
Danish Krone	8.23400	8.06913	−2.00	−0.72	±1.6430
German D-Mark	2.33379	2.29753	−1.56	−0.27	±1.0888
French Franc	6.61387	6.51460	−1.50	−0.22	±1.3940
Dutch Guilder	2.57971	2.52265	−2.21	−0.93	±1.5004
Irish Punt	0.691011	0.690329	−0.10	+1.18	±1.6691
Italian Lira	1350.27	1320.38	−2.21	−1.52	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Feb. 24	Jan. 28		Feb. 24	Jan. 28
Bills on offer	£100m	£100m	Top accepted rate of discount	10.9099%	10.95%
Total of applications	£380.24 m	£320.37m	Average rate of discount	10.8756%	10.9366%
Total allocated	£100m	£100m	Average yield	11.21%	11.24%
Minimum accepted bid	£97.28	£97.27	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	1%	100%			

OTHER CURRENCIES

Feb. 4	£	$		£ Note Rates
Argentina Peso	83,240-83,280	54,860-54,910	Austria	26.30-26.60
Australia Dollar	1.5725-1.5755	1.0365-1.0370	Belgium	75¾-76¼
Brazil Cruzeiro	423.54-424.54	278.70-280.09	Denmark	13.17-13.30
Finland Markka	8.2655-8.2840	5.4450-5.4460	France	10.62-10.72
Greek Drachma	125.864-129.058	83.50-83.90	Germany	3.74½-3.78½
Hong Kong Dollar	10.02½-10.04½	6.6100-6.6150	Italy	2140-2175
Iran Rial	129.40*	85.25*	Japan	364-368
Kuwait Dinar (KD)	0.442-0.443	0.2918-0.2918	Netherlands	4.11-4.15
Luxembourg Fr.	73.60-73.70	48.46-48.48	Norway	10.88-11.00
Malaysia Dollar	3.4750-3.4900	2.2910-2.2930	Portugal	140-155
New Zealand Dlr.	2.1215-2.1300	1.3985-1.4005	Spain	192¾-207½
Saudi Arab. Riyal	5.2190-5.2245	3.4405-3.4415	Sweden	11.36-11.46
Singapore Dollar	3.1625-3.1776	2.0855-2.0875	Switzerland	3.07-3.10
Sth. African Rand	1.6335-1.6350	1.0750-1.0760	United States	1.50½-1.52½
U.A.E. Dirham	5.5705-5.5760	3.6720-3.6730	Yugoslavia	114-122

*Selling rates.

CURRENCY MOVEMENTS

Feb. 4	Bank of England Index	Morgan Guaranty Change %
Sterling	81.0	−39.2
U.S. dollar	121.6	+11.7
Canadian dollar	90.5	−17.2
Austrian schilling	119.3	+29.1
Belgian franc	93.8	−2.1
Danish kroner	83.6	−9.9
Deutsche mark	127.1	+53.7
Swiss franc	151.8	+108.5
Guilder	118.5	+27.5
French franc	73.5	−19.7
Lira	55.0	−58.7
Yen	143.5	+36.8

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.711951	0.611291
U.S. $	8½	1.08003	0.926428
Canadian$	9.91	*	1.13811
Austria Sch	4¾	18.8141	16.1583
Belgian F	11½	52.4355	44.9708
Danish Kr	10	9.40166	8.06913
D mark	5	2.67847	2.29753
Guilder	4½	2.93984	2.52265
French F	9½	7.59531	6.51460
Lira	18	1539.31	1320.38
Yen	5½	259.425	222.434
Norwgn Kr	9	7.78054	6.67025
Spanish Pta	—	142.055	121.917
Swedish Kr	9	8.12183	6.96715
Swiss Fr	4½	2.19538	1.88453
Greek Dr'ch	20½	n/a	77.8009

*CS/SDR rate for Feb 3: 1.33465.

THE POUND SPOT AND FORWARD

Feb 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5135-1.5235	1.5190-1.5200	0.27-0.22c pm	1.93	0.69-0.64 pm	1.75
Canada	1.8630-1.8730	1.8665-1.8675	0.18-0.08c pm	0.83	0.53-0.43 pm	1.03
Nethlnd.	4.11½-4.14½	4.13-4.14	2¼-1¾c pm	5.80	6¾-6¼ pm	6.17
Belgium	73.40-73.85	73.60-73.70	5-15c dis	−1.63	38-48 dis	−2.33
Denmark	13.19-13.26	13.21-13.22	6¾-7½ore dis	−6.24	20⅞-22¼ dis	−6.52
Ireland	1.1280-1.1360	1.1310-1.1330	0.57-0.70p dis	−6.73	1.54-1.78dis	−5.83
W. Ger.	3.75-3.78	3.75¾-3.76¾	1⅞-1⅜ pf pm	5.18	5¼-4¾ pm	5.31
Portugal	140.50-143.50	141.25-142.25	500-1350c dis	−78.03	690-2225dis	−40.98
Spain	199.00-200.25	199.90-200.20	155-240c dis	−11.85	400-490dis	−8.90
Italy	2,159-2,169	2,164-2,166	13½-17½ lire dis	−8.59	57½-62½dis	−11.08
Norway	10.90-10.96	10.92-10.93	¼-1¾ore dis	−1.44	½-1¼ dis	−0.31
France	10.64-10.70	10.66-10.67	2½-4½c dis	−3.94	4.15-3.95 pm	4.43
Sweden	11.40-11.45	11.41½-11.42½	5½-6½ dis	−2.24	2¾-1¾c pm	7.75
Japan	363-367	365-366	Par-½ore dis	−0.33	22½-25½dis	−9.00
Austria	26.32-26.52	26.40-26.45	1.35-1.15y pm	4.10	35⅞-30⅞ pm	5.05
Switz.	3.07-3.10½	3.09-3.10	11½-9½gro pm	4.74	6¾-5¾ pm	7.91

Belgian rate is for convertible francs. Financial franc 76.00-76.10. *Six-month forward dollar 1.06-1.01c pm. 12-month 1.60-1.45c pm.*

THE DOLLAR SPOT AND FORWARD

Feb 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5135-1.5235	1.5190-1.5200	0.27-0.22c pm	1.93	0.69-0.64 pm	1.75
Ireland†	1.3395-1.3450	1.3415-1.3430	0.88-0.78c pm	7.43	2.43-2.23 pm	6.95
Canada	1.2270-1.2305	1.2285-1.2295	0.08-0.09c dis	−0.73	0.20-0.23dis	−0.70
Nethlnd.	2.7175-2.7245	2.7190-2.7200	0.95-0.85c pm	3.97	3.07-2.97 pm	4.44
Belgium	48.43-48.56	48.46-48.48	13-15c dis	−3.47	49-53 dis	−4.21
Denmark	8.6925-8.7200	8.6960-8.7050	4¾-5¼ore dis	−6.66	13.3-14.3dis	−6.34
W. Ger.	2.4700-2.4850	2.4745-2.4755	0.67-0.62pf pm	3.13	2.25-2.20 pm	3.59
Portugal	92.50-95.00	93.00-95.00	350-900c dis	−79.79	550-1500dis	−43.62
Spain	131.35-131.80	131.50-131.60	150-200c dis	−15.96	350-450dis	−12.16
Italy	1,422-1,426½	1,424½-1,425½	12-13½ lire dis	−10.74	44½-47 dis	−12.84
Norway	7.1850-7.2050	7.1850-7.1950	1.70-2.70ore dis	−3.67	6.90-7.90dis	−4.11
France	7.0075-7.0400	7.0175-7.0225	3.80-4.30c dis	−6.92	19-20 dis	−11.11
Sweden	7.5110-7.5325	7.5125-7.5225	1.15-1.65ore dis	−2.24	3.80-4.30dis	−2.16
Japan	239.75-241.00	240.35-240.45	0.50-0.43y pm	2.32	1.67-1.57 pm	2.69
Austria	17.38-17.44½	17.38-17.39	4½-3½gro pm	2.84	15½-13 pm	3.27
Switz.	2.0250-2.0400	2.0345-2.0355	1.00-0.95c pm	5.75	3.17-3.12 pm	6.18

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.00-50.10.

EXCHANGE CROSS RATES

Feb. 4	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.520	3.763	365.5	10.665	3.095	4.135	2165.	1.867	73.68
U.S. Dollar	0.658	1.	2.476	240.5	7.019	2.037	2.721	1425.	1.229	48.47
Deutschemark	0.266	0.404	1.	97.14	2.835	0.823	1.099	575.4	0.496	19.57
Japanese Yen 1,000	2.736	4.157	10.29	1000.	29.18	8.468	11.31	5923.	5.108	201.5
French Franc 10	0.938	1.425	3.528	342.7	10.	2.902	3.877	2030.	1.751	69.06
Swiss Franc	0.323	0.491	1.216	118.1	3.446	1.	1.336	699.5	0.603	23.80
Dutch Guilder	0.242	0.367	0.910	88.39	2.579	0.748	1.	523.6	0.452	17.81
Italian Lira 1,000	0.462	0.702	1.738	168.8	4.926	1.430	1.910	1000.	0.862	34.02
Canadian Dollar	0.536	0.814	2.015	195.8	5.712	1.658	2.215	1160.	1.	39.45
Belgian Franc 100	1.358	2.063	5.109	496.3	14.48	4.202	5.614	2940.	2.535	100.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.37	90.43	90.33	90.49
June	90.01	90.06	89.98	90.11
Sept	89.75	89.77	89.68	89.81
Dec	89.55	—	—	89.65
March	89.15	—	—	89.25

Volume 1,128 (1,185)
Previous day's open int. 3,150 (3,180)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	88.92	88.92	88.84	88.90
June	89.24	89.24	89.11	89.22
Sept	89.27	89.30	89.23	89.25
Dec	89.27	89.27	89.25	89.25

Volume 800 (820)
Previous day's open int. 2,613 (2,716)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	98-28	99-23	98-21	99-09
June	98-21	99-03	98-16	99-01
Sept	98-14	98-27	98-06	98-26

Volume 1,490 (1,607)
Previous day's open int. 2,155 (2,179)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) −12 to −4 cum. div. 2/10 ex div.

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5170	1.5202	1.5120	1.5212
June	1.5112	1.5137	1.5110	1.5140
Sept	1.5090	—	—	1.5115

Volume 357 (340)
Previous day's open int. 1,057 (996)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4054	0.4055	0.4043	0.4065
June	0.4089	0.4090	0.4080	0.4110
Sept	0.4134	—	—	0.4159

Volume 23 (39)
Previous day's open int. 262 (250)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4938	0.4942	0.4837	0.4962
June	0.5019	—	—	0.5045
Sept	0.5095	—	—	0.5119

Volume 12 (103)
Previous day's open int. 274 (255)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4170	0.4176	0.4169	0.4193
June	0.4205	0.4205	0.4203	0.4224
Sept	0.4220	—	—	0.4239

Volume 24 (64)
Previous day's open int. 245 (250)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	72-25	73-04	72-19	73-10
June	72-03	72-14	71-28	72-19
Sept	71-18	71-29	71-15	72-02
Dec	71-06	71-15	71-04	71-22
March	70-28	71-04	70-25	71-12
June	70-20	70-29	70-20	71-04
Sept	70-14	70-22	70-14	70-30
Dec	70-09	70-16	70-09	70-25
March	70-05	70-12	70-06	70-21
June	70-01	—	—	70-17

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
March	91.65	91.71	91.62	91.76
June	91.31	91.37	91.30	91.44
Sept	91.04	91.11	91.04	91.18
Dec	90.80	90.88	90.79	90.92
March	90.60	90.69	90.60	90.71
June	90.39	90.44	90.38	90.49
Dec	90.08	—	90.08	90.15

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
Dec	89.74	89.80	89.74	89.87
March	90.78	90.83	90.72	90.85
June	90.25	90.30	90.23	90.37
Sept	89.96	90.02	89.96	90.08

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.10	90.13	90.06	90.17
June	89.68	89.73	89.67	89.79
Sept	89.43	89.48	89.42	89.52
Dec	89.24	89.27	89.24	89.33
Feb	—	—	—	—

STERLING (IMM) $ per £

	Close	High	Low	Prev
March	1.5170	1.5225	1.5110	1.5220
June	1.5115	1.5166	1.5050	1.5170
Sept	1.5080	1.5110	1.5035	1.5140
Dec	1.5050	1.5070	1.5040	1.5110
March	—	—	—	—
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	67-08	67-21	67-04	67-21
June	66-08	66-22	66-06	66-21
Sept	65-19	65-31	65-18	66-01
Dec	64-30	65-12	64-30	65-14
March	64-16	64-29	64-15	65-00
June	64-05	64-17	64-03	[illegible]
Sept	63-29	64-06	63-29	[illegible]
Dec	63-21	63-28	63-20	63-31
March	63-14	—	—	63-24
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

WEEKLY CHANGE IN WORLD INTEREST RATES

	Feb. 4	change		Feb. 4	change
LONDON			NEW YORK		
Base rates	11	Unch'd	Prime rates	11	Unch'd
7 day interbank	11⅛-11¼	[illegible]	Federal funds	8½-8¾	Unch'd
3 mth interbank	[illegible]	[illegible]	3 mth Treasury Bills	8.22	+0.24
Treasury Bill Tender	10.8756	−0.061	6 Mth. Treasury Bills	8.35	+0.30
Band 1 Bills	11	Unch'd	3 Mth. CD	8.80	+0.15
Band 2 Bills	11	Unch'd	FRANKFURT		
Band 3 Bills	11	Unch'd	Lombard	6.00	Unch'd
3 Mth. Treasury Bills	[illegible]	Unch'd	One Mth. Interbank	5.75	−0.275
1 Mth. Bank Bills	[illegible]	[illegible]	Three month	5.95	+0.025
3 Mth. Bank Bills	[illegible]	[illegible]	PARIS		
TOKYO			Intervention Rate	12½	Unch'd
One month Bills	6.90625	Unch'd	One Mth. Interbank	[illegible]	[illegible]
Three month Bills	6.84375	Unch'd	Three month	[illegible]	+¼
BRUSSELS			MILAN		
One month	12¼	[illegible]	One month	[illegible]	Unch'd
Three month	12⅝	[illegible]	Three month	[illegible]	Unch'd
AMSTERDAM			DUBLIN		
One month	[illegible]	−¼	One month	16¼	−⅛
Three month	4⅞	[illegible]	Three month	16⅛	−½

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. * Band 4 11.

MONEY MARKETS

Coming out of the doldrums

Financial markets are very quiet at the moment. Equities were fairly cheerful last week, with the Financial Times Indus*trial Ordinary Index touching a* record level, while money market traders also reported a mood of increased optimism. In the interbank market fixed period interest rates eased by [illegible] per cent, and the very short end of the market showed a greater reduction after a fairly comfortable week, including one day when the Bank of England did not intervene. For the first time since March last year the Bank of England forecast a surplus on Thursday morning, and although this was later revised to flat, very short term rates declined in the comfortable conditions.

The Government's apparent determination to prevent any further increase in London interest rates helped market stability, particularly after the Prime Minister's meeting with the clearing bankers. Sentiment was also encouraged by speculation about a relatively generous Budget, although some observers are not convinced that UK interest rates can be held at present levels if sterling weakens further against the dollar.

Applications for shares in Associated British Ports opens Wednesday, and is likely to be a factor keeping money market conditions fairly tight this week. With much of the early year tax paying season out of the way conditions should not be too difficult however, although the prospects for February are not improved by lower than usual Government disbursements to local authorities.

The reduction in the normal level of rate support grant represents the claw back penalty against overspending by councils.

But the major factor continuing to drain funds from the money market will be the refinancing of bills maturing in the hands of the Bank of England. Apart from this fairly constant problem the next major hurdle is likely to be the payment of petroleum revenue tax at the beginning of next month.

LONDON MONEY RATES

Feb. 4 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-14	—	—	—	10-11½	10-11	—	—	—
2 days notice	—	—	11-11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅝-11⅝	—	—	—	—
7 days notice	—	11⅛-11¼	11-11⅛	—	—	11⅝	11-11⅛	—	—	—
One month	[illegible]	[illegible]	11¼	12-11⅝	[illegible]	11⅝	11	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	11½	12-11¾	[illegible]	11⅝	11	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	11¼-11⅝	12-11¾	[illegible]	—	11	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	11¼-11⅝	11⅛-10⅞	11⅝	—	—	—	10¾-10[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	11⅝-11⅜	11⅝	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	11½-11⅛	11⅝	—	—	—	—	—
Two years	—	—	11½	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three *years* 11½-11¾ per cent; four years 11⅝-11⅞ per cent; five years 11⅝-11⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10[illegible]-11[illegible] per cent; four months trade bills 11[illegible] per cent.

Approximate selling rate for one month Treasury bills 10[illegible]-11 *per cent; two months* 10[illegible] *per cent and three*-months 10[illegible] per cent. Approximate selling rate for one month bank bills 11 per cent; two months 11 per cent and three months 10[illegible]-11 per cent; trade bills 11[illegible] per cent; two months 11[illegible] per cent and three months 11[illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.8756 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three-month 11½ per cent; three-12-month 11½ per cent. Under £100,000 11¼ per cent from January 28. Deposits held under Series 3-5 11¼ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 4	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11-11¼	11-11¼	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	8⅝-8⅞	8¾-9	[illegible]	[illegible]	9⅝-9⅞	10-10¼
Can. Dollar	[illegible]	9-10	9¾-10	10-10¼	10⅛-10⅜	10½-10¾
D. Guilder	4⅝-4¾	4⅝-4¾	4¾-4⅞	4¾-4⅞	[illegible]	5⅛-5¼
S. Franc	3¾-4	2¾-3	3-3⅛	3⅛-3¼	[illegible]	[illegible]
Deutschm'rk	5¼-5⅞	5¾-5⅞	5¾-5⅞	5¾-5⅞	5¾-5⅞	5⅞-6
Fr'nch Franc	12½-13	13-13½	15¾-16¼	20-20½	19¾-20¼	17¾-18¼
Italian Lira	17-20	19⅛-21⅛	20⅜-22	22¼-23¼	22⅜-23⅛	22¼-23
Belg. Franc: Conv.	11-12	11¾-13¼	12¼-13¼	13-14	13½-14¼	12⅞-13⅜
Fin.	11¾-12¼	12¼-12½	12¼-12½	12¼-12½	12⅜-12⅝	12⅜-12⅝
Yen	6½-6¾	[illegible]	[illegible]	6⅜-6¾	6½-6⅝	6⅝-6¾
D. Krone	16⅛-16⅝	16½-17	17½-18	17⅝-18⅛	17⅞-18⅜	17⅞-18⅜
Asia $ (Sing.)	8¾-8⅞	[illegible]	[illegible]	[illegible]	9⅝-9¾	9⅞-10

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 5/16	offer 9 7/16	bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8½-8¾
Treasury bills (13-week)	8.22
Treasury bills (26-week)	8.35

GERMANY

Lombard	6.0
Overnight rate	5.975
One month	5.70
Three months	5.85
Six months	5.925

FRANCE

Intervention rate	12.5
Overnight rate	12.75
One month	12.8125
Three months	12.9375
Six months	12.8125

JAPAN

Discount rate	5.5
Call (unconditional)	6.71875
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4½
Overnight rate	2-3
One month	3-3¼
Three months	3-3⅝

NETHERLANDS

Discount rate	4½
Overnight rate	4⅞-5
One month	4¾-4⅞
Three months	4¾-5
Six months	4⅞-5

$ CERTIFICATES OF DEPOSIT

One month	8.80-8.90
Three months	8.95-9.05
Six months	9.25-9.35
One year	9.60-9.80

LONG TERM EURO $

Two years	11-11¼
Three years	11¼-11½
Four years	11¾-12
Five years	11⅞-12⅛

SDR LINKED DEPOSITS

One month	8⅞-9¼
Three months	9½-9⅞
Six months	[illegible]
One year	[illegible]

ECU LINKED DEPOSITS

One month	10-10½
Three months	[illegible]
Six months	[illegible]
One year	10⅞-11¼

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

Offshore and Overseas—continued

[illegible]

OC Am Fd* $3.00 3.19xd
OCSmCo*** 168.0 178.7
OC Cmty† 109.3 116.2xd
OC$Cmdy* $35.32 37.43
OC HK Fd††$31.59 33.60
††Dealings every Wednesday.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY
COMPANY MEETINGS—
McCarthy and Stone, Homepark House, South Street, Farnham, 12.00
BOARD MEETINGS—
Final:
U.C. Invs
Interims:
Howard Shuttering
ML Hldgs
Malaysia Rubber
Meat Trade Suppliers
DIVIDEND & INTEREST PAYMENTS—
Baker Perkins 2.1p
Banco Nacional de Mexico SA Fltg Rate Sub Notes 1992 $343.91
Bassett Foods 1p
Burroughs Corpn 65 cts
C.A. Cavendes Sociedad Financiera Fltg Rate Dep due 1986 $264.38
Dubilier 0.9626p
Hardanger Properties 7p
Hinton (Amos) 6¼pc Irrd Ln 3⅛pc
Intntl Paint 2p
Maple and Co 10½pc Pty Sec Ln 1998-2002 5¼pc
May and Hassell 1.3p
Moorgate Mercantile 0.5p
Murray Caledonian In Tst 2p
Nationwide Building Society 15⅝pc Bds 7/2/83 £8.0694
Norcros 2.08p
Paterson Jenks 0.7p
Petaling Tin Berhad 15.5844p
Plaxton's (GB) 5.5p
Southern Rhodesia 4½pc 1987-92 (Assented) 2¼pc
Tongaat Corogroup 11cts
TOMORROW
COMPANY MEETINGS—
Assoc Paper Inds, Howard Hotel, Temple Place, WC, 12.30
NSS Newsagents, Elizabeth House, Duke Street, Woking, Surrey, 2.30
Tomkinsons, Duke Place, Kidderminster, 12.00
BOARD MEETINGS—
Finals:
Camford Engng
Crescent Japan Inv Tst
Crest Nicholson
General Funds Inv Tst
Ladies Pride
New Tokyo Inv Tst
Interims:
Amstrad Consumer Electronics
Stocklake
United Real Property Tst
DIVIDEND & INTEREST PAYMENTS—
Anchor Intnl. Fund 5cts
British Tar Products 0.525p
Crean (James) 6p
Libanon Gold Mining 63.22929p
Reed Intntl 7¼pc Db 1990-95 3⅝pc
Do 10pc Ln 2004-09 5pc
Tomkinsons 4.2p
WEDNESDAY FEBRUARY 9
COMPANY MEETINGS—
BOC Group, Lyric Theatre, King Street, Hammersmith, W, 2.30
Johnson and Firth Brown, Royal Victoria Hotel, Sheffield, 11.00
Management Agency and Music, Hendon Hall Hotel, Ashley Lane, Hendon, NW, 12.00
Martin The Newsagent, Martin House, *Ashwells Road, Brentwood, Essex, 12.00*
Polly-Peck, 81-91, Commercial Road, E, 11.30
Standard Securities, Brown's Hotel, Albemarle Street, W, 11.30
Wearwell, 81/91, Commercial Road, E, 11.00
Westland, Hyde Park Hotel, Knightsbridge, SW, 12.00
BOARD MEETINGS—
Finals:
Bank Leumi (UK)
General Consolidated Inv Tst
Ley's Foundries & Engng
Moorside Tst
Securicor
Security Services
TSL Thermal Syndicate
Yeoman Inv Tst
Interims:
Benn Brothers
DIVIDEND & INTEREST PAYMENTS—
Associated Paper Inds, 2.8p
Doornfontein Gold Mining 45.98494p
Driefontein Consolidated 60.35525p
Electric & General Inv. 1.1p
Hapoalim Intntl NV Gtd Fltg Rate Notes 1983 $696.39
NSS Newsagents 1.75p
Kloof Gold Mining 74.72553p
Marsh and McLennan 55cts
Nationwide Building Society 11⅞pc Bds 15/8/83 5[illegible]pc
RHP Group 2p
Southern Rhodesia 4½pc 1987-92 (Unassented) 2¼pc
Venterspost Gold Mining 34.48870
Vlakfontein Gold Mining 8.62218p
THURSDAY FEBRUARY 10
COMPANY MEETINGS—
Burns-Anderson, St. James Club, St James House, Charlotte Street, Manchester, 12.00
Greenall Whitley, Lord Daresbury Hotel, Daresbury, Nr Warrington, Cheshire, 12.00
Hickson and Welch, 140, Buckingham Palace Road, SW, 11.30
Kynock (G. & G.), Isla Bank Mills, Keith, Scotland, 11.00
Sidlaw Group, Nethergate Centre, Dundee, 12.00
Stenhouse Hldgs, Central Hotel, Gordon Street, Glasgow, 12.00
BOARD MEETINGS—
Finals:
Aaronson Brothers
Dew (George)
Imperial Group
Lonrho
River & Mercantile Tst
River Plate & General Tst
Scottish Agricultural Inds
Tribune Inv Tst
Interims:
Dale Electric Intnl
Mid Wynd Intnl Inv Tst
Sentrust Beperk
DIVIDEND & INTEREST PAYMENTS—
American Express 50cts
Braham Millar 0.4p
British Building and Engng Appliances 0.75p
C.H. Industrials 0.25p
Elson and Robbins 0.1p
Greater London Council 12½pc 1983 6¼pc
Martin The Newsagent 3.595p
Merrill Lynch Overseas Capital NV Gtd Fltg Rate Notes 1987 $127.78
Private *Inv* Co for Asia SA Fltg Rate Notes 1986 $362.57
Svensk *Exportkredit* AB Fltg Rate Notes 1987 (with wrts) $69.96, Do. (without wrts) $69.96
Westland 4.75p
FRIDAY FEBRUARY 11
COMPANY MEETINGS—
Flexello Castors and Wheels, Heathrow Penta Hotel, Bath Road, Hounslow, Middx, 3.00
BOARD MEETINGS—
Finals:
Glasgow Stockholders Tst
Throgmorton Trust
Wagon Finance
Interims:
Douglas (Robert M.)
Gripperrods
Second Alliance Tst
DIVIDEND & INTEREST PAYMENTS—
Agricultural Mortgage Corpn 14¾pc Bds 11/2/83 7⅜pc
Bell and Sime 1.75p
Bermuda Inter Bond Fund Inc 30cts
Brown (N.) Invs 2p
Burns-Anderson 1.4p
Caledonian Associated Cinemas 2p
Charterhouse Japhet Int Fin BV Gtd Fltg Rate Notes 1985 $73.79
Sdbro (Hldgs) 2p
Greenall Whitley 1.9864p, Do. A 0.3973p
Greene King and Sons 1.3p
Guinness (Arthur) 7¼pc Ln 2001 3⅝pc
Do. 10pc Ln 1993-98 5pc
Imperial Cont Gas Assoc 3p
Lep Group 4p
London Merchant Securities 0.5p
Middle Witwatersrand (*Western Area*) 17.476661p
Monk (A.) 1.5p
Ocean Wilsons 0.75p
Renong Tin Dredging 5p
Scottish Inv Tst 3p
Toronto Dominion Bank Fltg Rate Debs 1992 $731.53
Vaux Breweries 5.5p
Zandpan Gold Mining 29.127769p
SUNDAY FEBRUARY 13
DIVIDEND & INTEREST PAYMENTS—
M and G European and General Fund Inc 0.466p

هكذا من الأصل